Lea County, New Mexico

A SocioEconomic Profile

Produced by the

Sonoran Institute's

Economic Profile System

February 14, 2005

About the Sonoran Institute

About The Economic Profile System (EPS)

This profile was produced using the Economic Profile System (EPS). EPS is designed to allow any user to automatically and efficiently produce a detailed socio-economic profile using the spreadsheet program Microsoft Excel. This profile contains tables and figures that illustrate long-term trends in population; employment and personal income by industry; average earnings; business development; retirement and other non-labor income; commuting patterns; and agriculture. Databases used for EPS profiles are from: Bureau of the Census, County Business Patterns, Bureau of Labor Statistics, and the Regional Economic Information System (REIS) of the Bureau of Economic Analysis, U.S. Department of Commerce.

EPS was developed in partnership with the Bureau of Land Management as a tool to assist public land managers, planners, elected officials, and citizens. EPS, databases for the entire country, the EPS User's Manual, and a PowerPoint demonstration of EPS training programs are available for free from the Sonoran Institute at: www.sonoran.org/eps

For more information about EPS or to request a community-level EPS training please contact ay@sonoran.org or ben@sonoran.org.

About The Sonoran Institute

A nonprofit organization established in 1990, the Sonoran Institute brings diverse people together to accomplish their conservation goals.

The Sonoran Institute works with communities to conserve and restore important natural landscapes in western North America, including the wildlife and cultural values of these lands. The lasting benefits of the Sonoran Institute's work are healthy landscapes and vibrant communities that embrace conservation as an integral element of their quality of life and economic vitality.

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Table of Contents

Lea County, New Mexico

Read This First

There are two related systems for producing socioeconomic profiles: the Economic Profile System (EPS) and the Economic Profile System Community (EPSC). For best results, use both profile systems. Below is a table highlighting how the two systems complement each other.

	EPS	EPSC
Geographic level of detail	Nation Region (metro, non-metro, total) State (metro, non-metro, total) County	Nation, Region, Division, States, Counties, County Subdivisions, Places (Towns), Indian Reservations Congressional Districts
Databases used	Bureau of the Census (Census) County Business Patterns (CBP) Bureau of Labor Statistics (BLS) Bureau of Economic Analysis (BEA), Regional Economic Information System (REIS)	Bureau of the Census, Decennial Census of Population and Housing, 1990, 2000. (1990 to 2000 comparisons at the county level only)
Time series used	Continuous data from 1970 to as close to the present as possible.	2000. At the county level only 1990 to 2000 comparisons can be made to show changes in age and household income distribution.
Advantages	Long-term trend analysis; changes in employment and personal income by sector, change of businesses establishments by type and size, and non-labor sources of income, like retirement and age-related income. Counties are compared to states and nation.	Age distribution, race, housing costs, housing affordability, education rates, poverty. Finer geographic detail. Allows comparisons to user-selected 'benchmark' areas.
Disadvantages	For some counties employment and personal income data may be suppressed for some industries and for some years. EPS includes a system for estimating these data gaps, and a chapter in the EPS User's Manual profiles step-by-step instructions.	Census data is not suppressed, but it is less useful than REIS data used in EPS for long-term trends by industry; it is only available only for 2000.

Important notes:

1) Total employment figures from the Bureau of the Census (used in EPSC) and the Regional Economic Information System (used in EPS) can differ for the following reasons:

   - Census employment figures are reported by place of residence, while BEA REIS figures are by place of wo

   - BEA REIS counts all jobs, regardless of whether part-time or whether a person has several jobs. For example, if a person has three part-time jobs, they count it as three jobs.

   - In some areas seasonality may play a role: the census is taken in the spring, a shoulder season for many "resort" areas, while BEA REIS data is an annual average.

2) Tables and charts may be copied from Excel into any other program, like Word or PowerPoint: highlight the selection, choose copy fr the edit menu, then open Word or PowerPoint and insert by choosing "Paste Special" in the Edit Menu. We recommend that you paste charts as a picture.

3) EPS is updated every year with the latest figures.

4) This profile also shows business cycles, represented as vertical bars on selected charts.

The following pages (2-25) contain long-term trends in demographics, employment and income, for types of information **where no disclosure restrictions occur.**

What is a 'disclosure restriction'?

A disclosure restriction means a gap exists in the data. Information has been suppressed by the U.S. Department of Commerce to avoid disclosure of confidential information. Generally, the smaller the geographic level of analysis and the smaller the population of the county, the higher the chances that industry-specific information is suppressed and that disclosure restrictions will occur.

The last section of this profile contains long-term trends on employment and personal income by industry sector (services, retail trade, manufacturing, etc.). This type of data most often has data gaps, or disclosure restrictions. EPS has a built-in system for estimating data gaps.

In this section you will learn about:

1. Changes in population, age distribution, household income distribution and housing affordability.
2. Comparisons of the county to the state and the nation.
3. Employment and income by type: proprietors versus wage and salary.
4. Personal income by type: labor versus non-labor income.
5. The role of transfer payments.
6. How well do we recover from recessions?
7. Trends in government employment.
8. Earnings per job versus per capita income.
9. Growth in firms by size and industry type.
10. Unemployment rates.
11. Cross-county flow of dollars via commuting.
12. Trends in agricultural businesses.

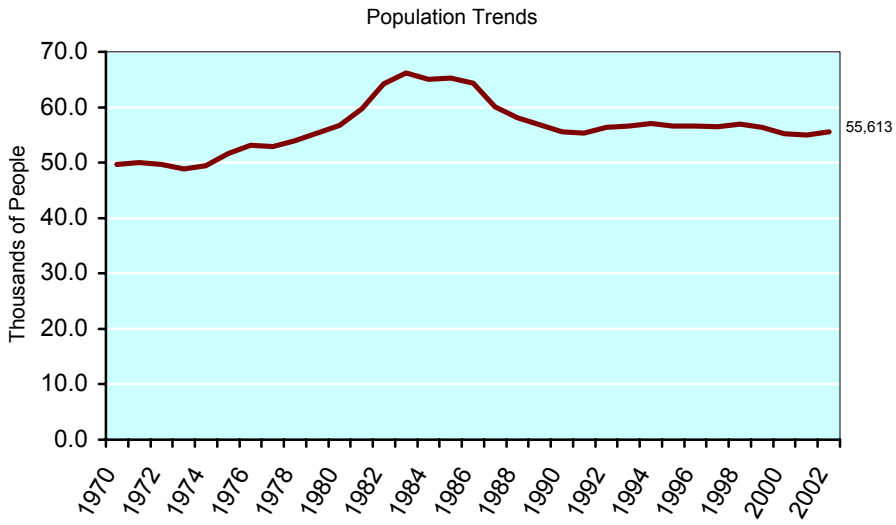
Highlights** - In Lea County, New Mexico:

- Population Growth (1970-2002) was roughly average.
- Employment Growth (Annualized rate, 1970-2002) was roughly average.
- Personal Income Growth (Adjusted for inflation, annualized rate, 1970-2002) was somewhat slow.
- Non-labor Income Share of Total in 2002 was somewhat low.
- Median Age* was young.
- Per Capita Income (2002) was roughly average.
- Average Earnings Per Job (2002) was somewhat high.
- Education Rate (% of population 25 and over who have a college degree)* was somewhat low.
- Employment Specialization* was somewhat diverse.
- Ratio Rich/Poor (Number of households that made under $30K for every household that made over $100K.)* was roughly average.
- Housing Affordability (100 or above means that the median family can afford the median house.)* was somewhat more affordable.
- Government share of total employment was somewhat low.
- Unemployment Rate in 2003** was somewhat low.

**These highlights are based on how this area compares to the distribution of all of the counties in the United States. See the methodology sec at the end for more information.
* from 2000 US Census ** from Bureau of Labor Statistics

Population

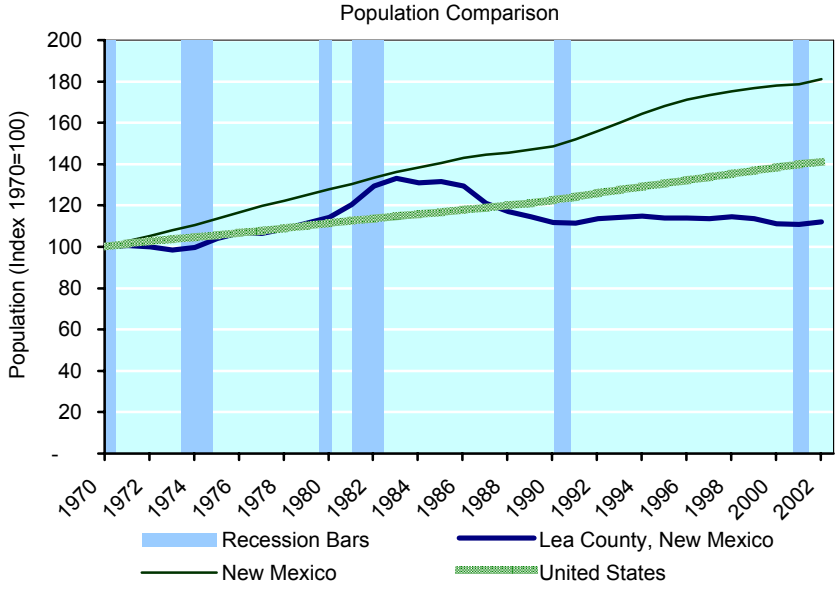
- From 1970 to 2002 population grew by 5,966 people, a 12% increase ir population.
- At an annual rate, this represents an increase of 0.4%.



The vertical shaded bars on the figure below represent the last five recession periods: November 1973 to March 1975; January 1980 to July 1980; July 1981 to November 1982; July 1990 to March 1991; March 2001 to November 2001. More information about recessions is available on the next page.

Population Growth Compared to the State and the Nation

- Over the last 32 years population growth in Lea County, New Mexico has been slower than the state and slower than the nation.
- Population growth is not generally impacted by national recessions.



Source: BEA REIS 2002 Table CA30

How well do we recover from recessions?

An important indicator of economic performance is the ability to recover quickly from recessions.

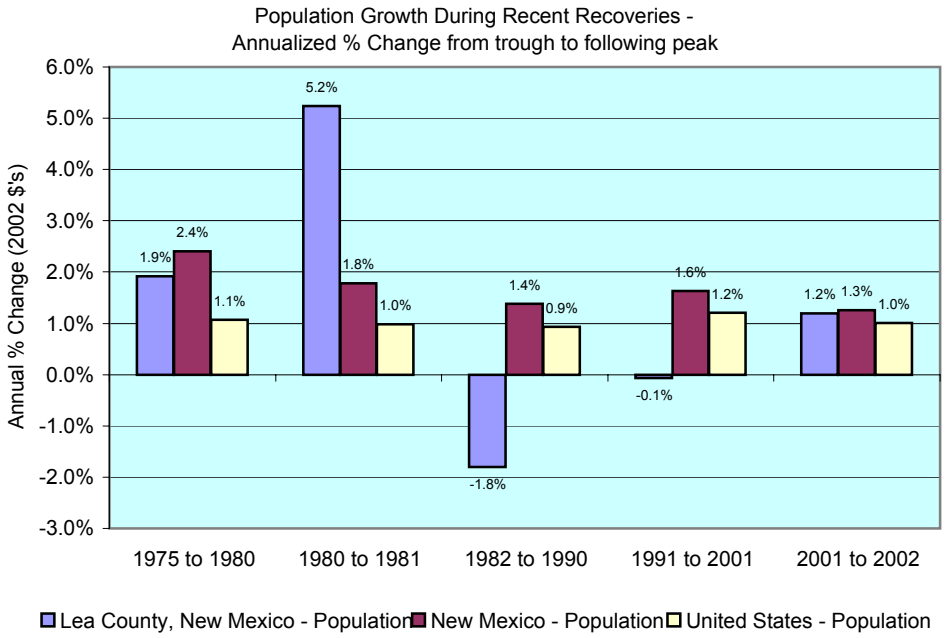
A recession is defined by the National Bureau of Economic Research as "a significant decline in activity spread across the economy, lasting more than a few months, visible in industrial production, employment, real income, and wholesale-retail sales."

The graph below shows how well we have recovered from the last five recessions. The recovery period used is from the end of one recession (the trough) to the beginning of the next recession (the peak).

This type of graph is repeated throughout the profile to show how the region recovers from recessions compared to the state and the nation.

See http://www.nber.org/cycles.html for more information about business cycles.

- In the latest recovery (2001 to 2002), population growth in New Mexico (up 1.3%) outpaced Lea County, New Mexico and the United States.
- Similarly, in the last recovery (1991 to 2001), New Mexico (up 1.6%) grew the fastest.
- In the recovery from 1982 to 1990, New Mexico (up 1.4%) grew the fastest.



Source: BEA REIS 2002 Table CA30

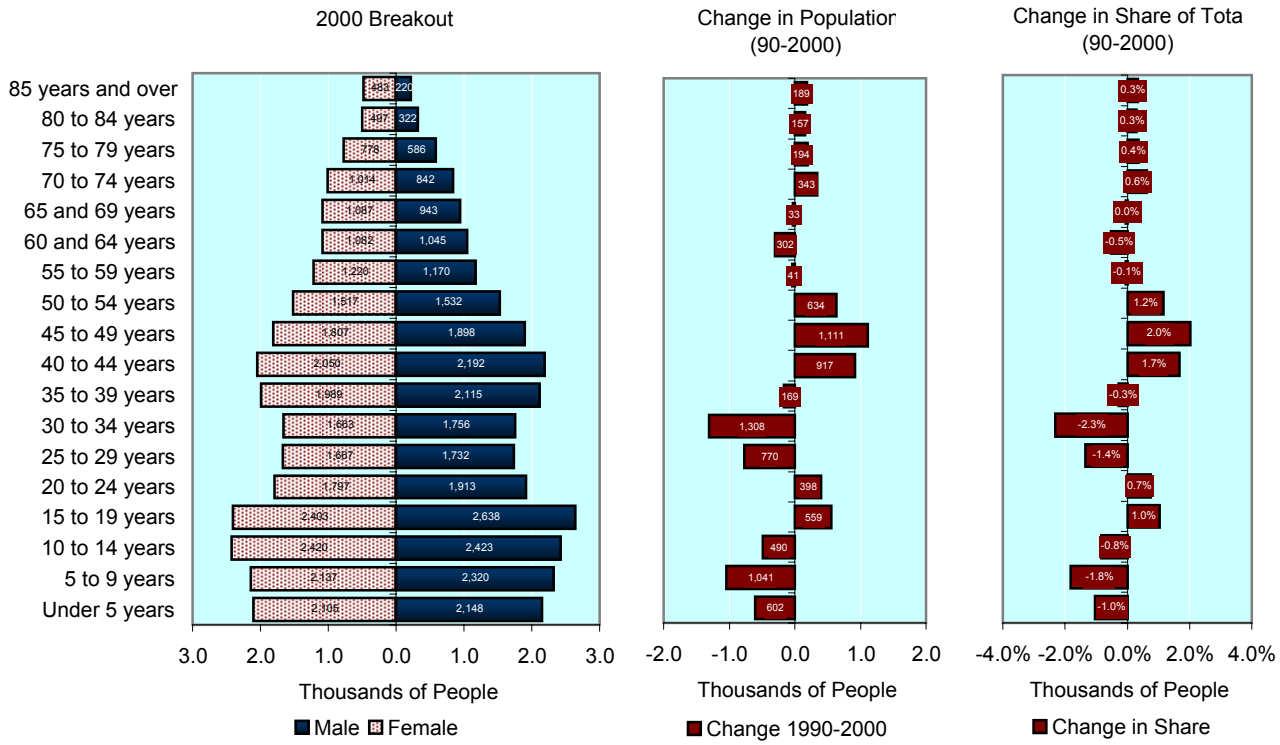
- The population has gotten older since 1990. The median age in 2000 is 33.1 years, up from 30.2 years in 1990.
- The largest age category is 15 to 19 years old (5,041 people or 9.1% of the total).
- Total Population in 2000 was 55,511 people, down 0% from 55,765 in 1990.
- The age group that has grown the fastest, as a share of total, is 45 to 49 years , up 1,111 people. Their share of total rose by 2.0%

Population by Age and Sex

	Total Number	Under 20 years Number	Share	40 - 54 (Baby Boom in 2000) Number	Share	65 years and over Number	Share	Median Age	Density (Pop. per sq. mi.)
Total Population									
2000	55,511	18,594	33%	10,996	20%	6,772	12%	33.1	13
1990	55,765	20,168	36%	8,334	15%	5,922	11%	30.2	13
10 Yr. Change	(254)	(1,574)	-3%	2,662	5%	850	2%	2.9	(0)
10 Yr. % Change	0%	-8%		32%		14%		10%	0%
2000 Sex Breakout									
Male	27,795	9,529	34%	5,622	20%	2,913	10%	32.1	
Female	27,716	9,065	33%	5,374	19%	3,859	14%	34.1	
Male/Female Split	50% / 50%	51% / 49%		51% / 49%		43% / 57%			

2000 Table SF1 - P12 & 1990 SF1 Table P05 & P12

In the graphs below, changes in population by age are shown two ways. The "Change in Population" graph illustrates how each age bracket has changed in the last 10 years. The "Change in Share" graph illustrates how each category has changed as a share of total. Note that an age bracket can have an increase in population while declining as a share of total. The "Change in Share" graph usually demonstrates how the baby boom has caused a demographic shift in the population (growth in the 40-60 age brackets).

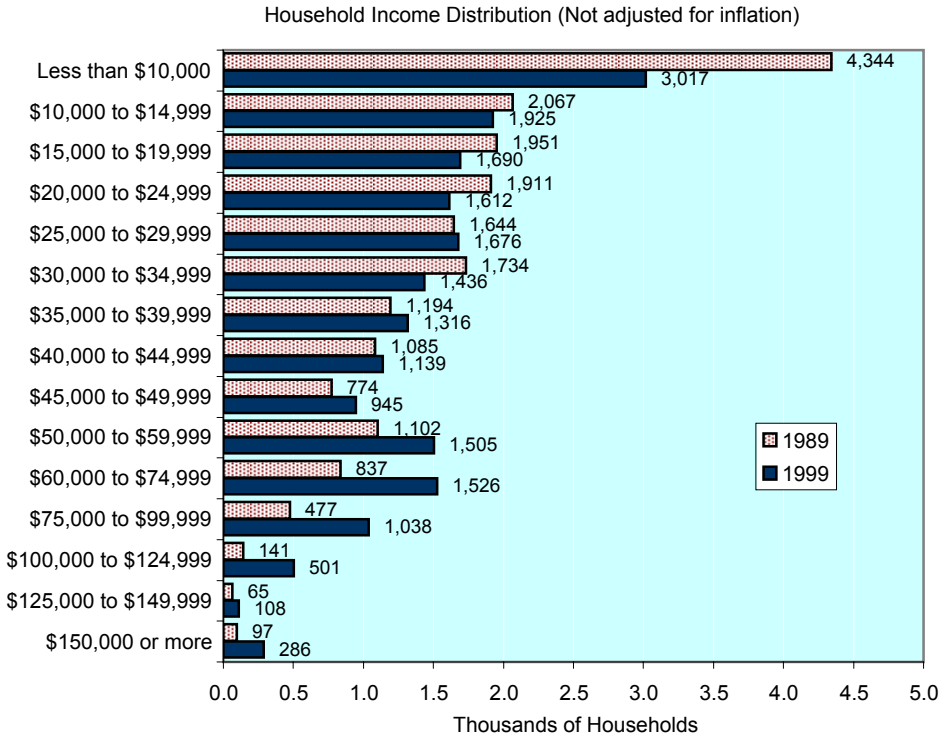


Source: Census 2000 and Census 1990

Income Distribution

- In 1999, for every household that made over $100K, there were 11.1 households that made under $30K. 10 years earlier, there were 39.3 households.

- Please note that the income distribution is not adjusted for inflation so some of the changes are due to inflation.



Housing Affordability - Owner Occupied

- The housing affordability index is 245, which suggests that the median family can afford the median house. *

- Housing affordability has become more affordable in the last decade, from 201 in 1990 to 245 in 2000.

Owner Occupied Housing Affordability	1990	2000
Specified owner-occupied housing units: Median value (Adjusted for I	$ 51,779	$ 50,100
% of median income necessary to buy the median house	12%	10%
Income required to qualify for the median house	$ 17,463	$ 14,157
Housing Affordability Index: (100 or above means that the median family can afford the median house.)*	201	245

Universe: Specified owner-occupied housing units — SF3 - H76

Income in:	1989	1999
Per capita income		$ 14,184
Median household income (Adj. for Inflation in 2000 $)	$ 30,767	$ 29,799
Median family income (Adj.for Inflation in 2000 $)	$ 35,072	$ 34,665

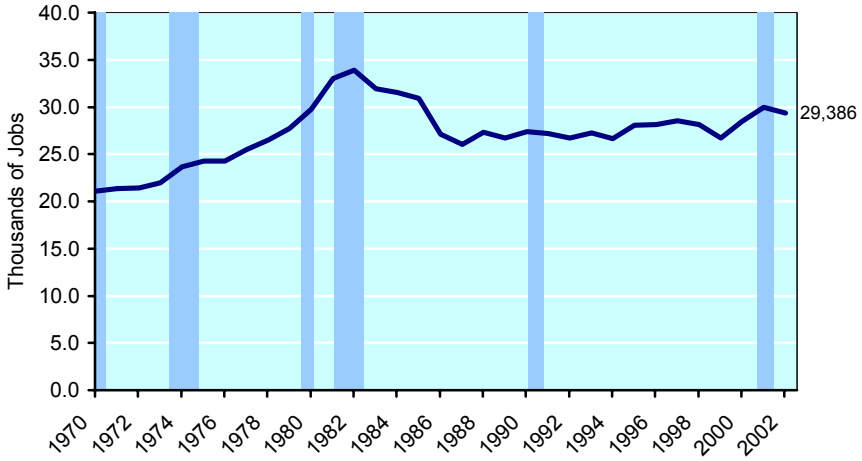
Universe: Total population, Households, Families — SF3 - P82,P53,P77

* Note: The housing affordability figures assume a 20% down payment and that no more than 25% of a family's income goes to paying the mortgage. It is based on an interest rate of 10.01% in 1990 and 8.03 in 2000. Use this statistic as a comparative, rather than absolute, measure.

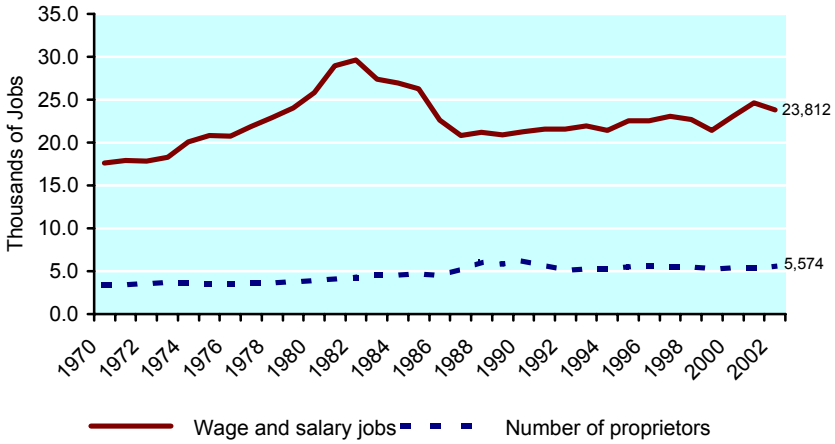
Source: Census 2000 and Census 1990

Total Employment

- From 1970 to 2002, 8,325 new jobs were created.
- From 1970 to 2002, the majority of job growth, 74% of new jobs, has been in wage and salary employment (people who work for someone else).



- Employment of proprietors contributed to 26% of new employment from 1970 to 2002, and 15% of new employment since 1992.
- In 1970, proprietors represented 16% of total employment; by 2002, they represented 19%.



Employment by Industry
Changes from 1970 to 2002

	1970	% of Total	1992	2002	% of Total	New Employment (70-02)	% of New Employment	New Employment (92-02)	% of New Employment
Total full-time and part-time employment	21,061		26,738	29,386		8,325		2,648	100.0%
Wage and salary jobs	17,623	83.7%	21,574	23,812	81.0%	6,189	74.3%	2,238	84.5%
Number of proprietors	3,438	16.3%	5,164	5,574	19.0%	2,136	25.7%	410	15.5%
Number of nonfarm proprietors 5/	2,732	13.0%	4,637	4,990	17.0%	2,258	27.1%	353	13.3%
Number of farm proprietors	706	3.4%	527	584	2.0%	-122	NA	57	2.2%

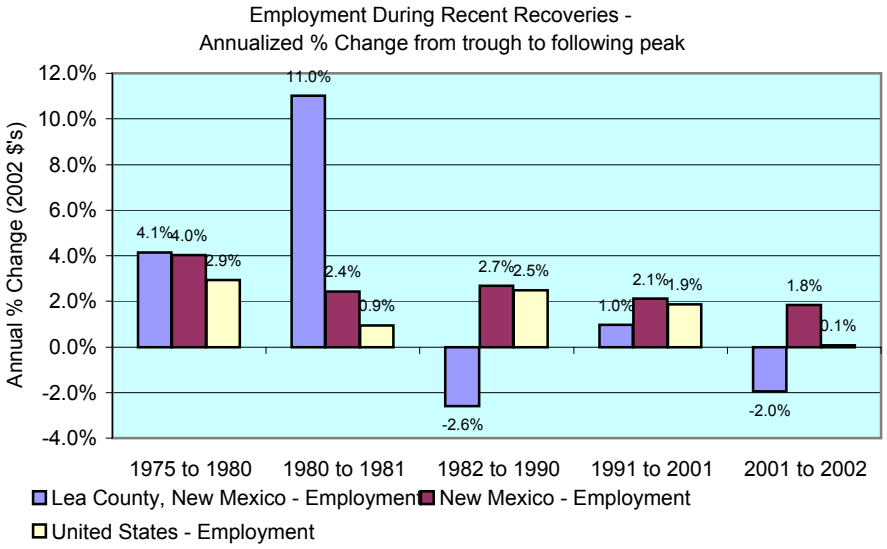
Proprietors include sole proprietorships, partnerships, and tax-exempt cooperatives. A sole proprietorship is an unincorporated business owned by a person. A partnership is an unincorporated business association of two or more partners. A tax-exempt cooperative is a nonprofit business organization that is collectively owned by its members.

Wage and salary employment refers to employees.

Source: BEA REIS 2002 Table CA30

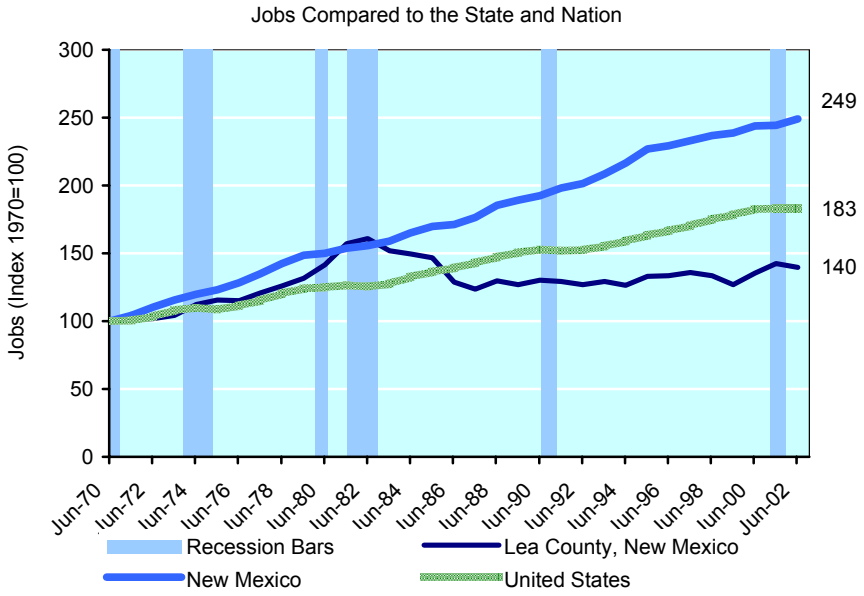
How well do we recover from recessions?

- In the latest recovery (2001 to 2002), employment growth in New Mexico (up 1.8%) has outpaced the United States and Lea County, New Mexico.
- Similarly, in the last recovery (1991 to 2001), New Mexico (up 2.1%) grew the fastest.
- In the recovery from 1982 to 1990, New Mexico (up 2.7%) grew the fastest.



Job Growth Compared to the State and the Nation

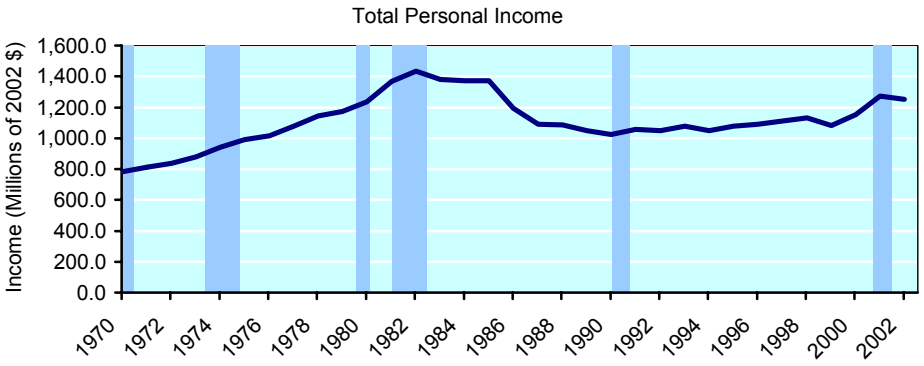
- Over the last 32 years job growth in Lea County, New Mexico has been slower than the state and slower than the nation.
- Some areas can experience employment gains even during the recessions. If so, check to see how much is due to migration and population changes.



Source: BEA REIS 2002 Table CA30

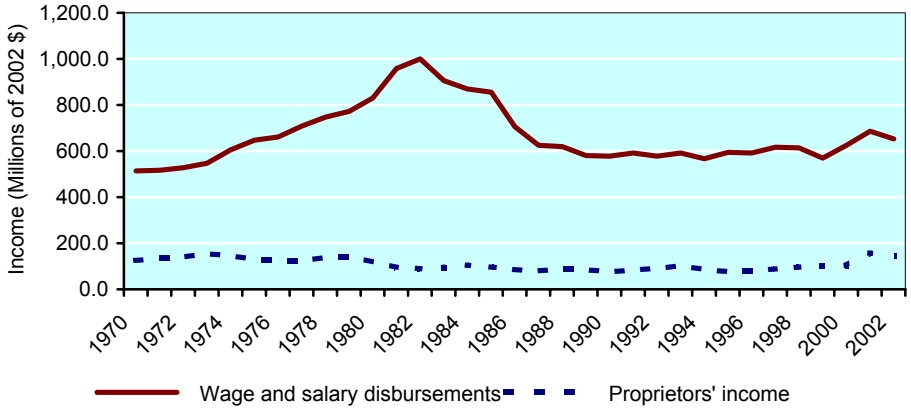
Long term trend

- From 1970 to 2002, personal income added $467 million in real terms.
- The annualized growth rate was 1.5%.



Importance of Proprietors

- In the last 32 years, wage and salary disbursements grew at an annual rate of 0.8%, outpacing proprietors' income which was roughly unchanged.
- 11.9% of new labor income from 1970 to 2002 was from proprietors' income.



Wages and Salaries vs. Proprietors

All income in millions of 2002 dollars	1970	1970 % of Labor	1992	1990 % of Labor	2002	2002 % of Labor	New Income 70-02	% of New Income
Labor Sources	658	100%	710	100%	827	100%	169	100.0%
Wage and salary disbursements	513	78%	577	81%	654	79%	141	83.4%
Proprietors' income	125	19%	90	13%	145	18%	20	11.9%
Nonfarm proprietors' income	99	15%	73	10%	119	14%	20	11.9%
Farm proprietors' income	25	4%	16	2%	25	3%	0	0.1%

Wage and salary is monetary remuneration of employees, including employee contributions to certain deferred compensation programs, such 401(K) plans.

Proprietors is income of sole proprietorships, partnerships and tax-exempt cooperatives. A sole proprietorship is an unincorporated business owned by a person. A partnership is an unincorporated business association of two or more partners. A tax-exempt cooperative is a nonprofit business organization that is collectively owned by its members.

Source: BEA REIS 2002 Table CA05N and CA30

Definitions:

"Proprietors" refers to employment and income from sole proprietorships, partnerships, and tax-except cooperatives. "Wage and salary" refers to employees; people who work for someone else.

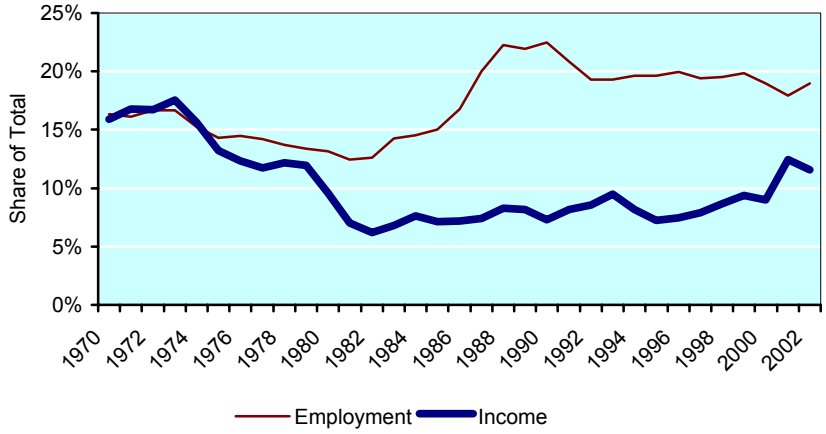
Are proprietors an important indicator of economic health?

1) Growth of proprietor employment and income can be a healthy sign that opportunities for entrepreneurship exist. Another way to gauge the health of small business growth is to look at changes in businesses by type and size of establishment (later in this profile).

2) Growth of proprietors can also mean that a rising number of people in the community want to (or need to) have side jobs in addition to their wage and salary jobs. When this is the case, earnings from second jobs can pull down average wages. To see if this is a sign of stress, look for other potential stress indictors in this profile: unemployment rates over time, changes in earnings per job.

Proprietors' Share of Total (Income vs. Employment)

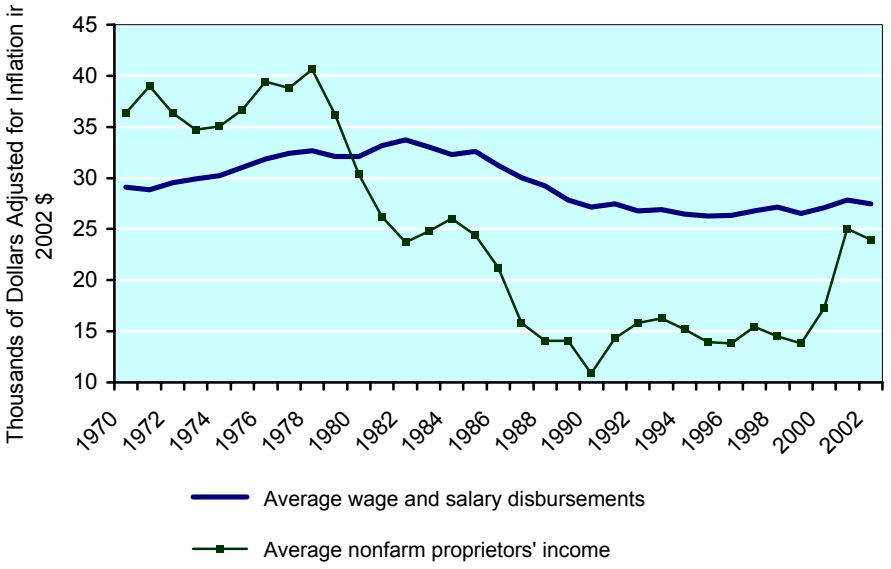
- In 2002, proprietors' share of total employment (19%) was higher than proprietors' income share of total (12%) .
- From 1970 to 2002, proprietors' income share of total fell by 27.2%, while proprietors' employment share of total grew by 16.2%.



How are Proprietors Doing?

- From 1970 to 2002, average wage and salary disbursements fell at an annualized rate of 0.2% (adjusted for inflation), declining slower than from average nonfarm proprietors' income, which fell by 1.3%.
- In 2002, average wage and salary disbursements were $27,467 (adjusted for inflation), more than average nonfarm proprietors' income ($23,938).
- In 1970, it was the other way around. Average nonfarm proprietors' income was $36,369 (adjusted for inflation), more than average wage and salary disbursements ($29,095).

If these shares vary widely, it suggests that propreitors and wage earners have different earnings.



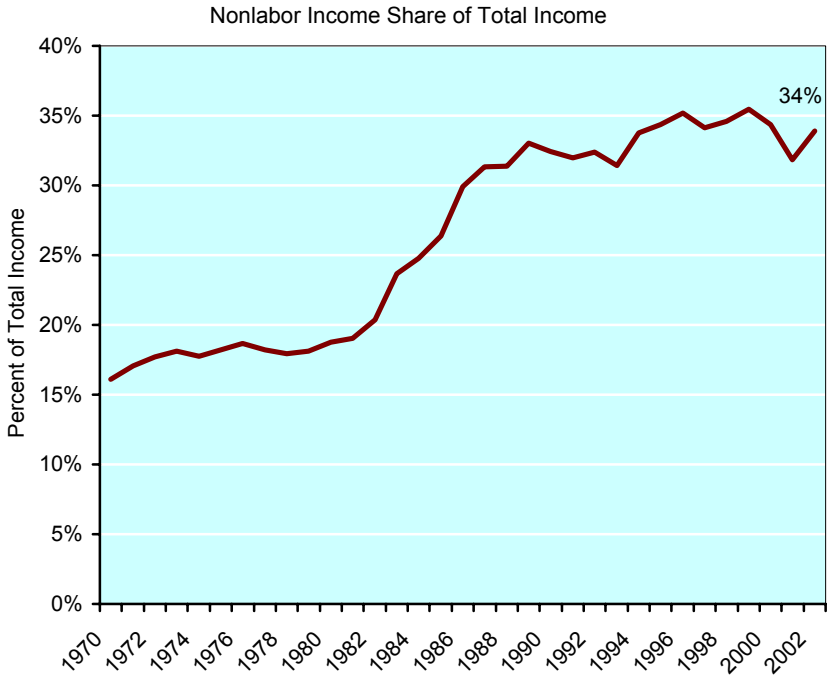
Source: BEA REIS 2002 Table CA30

Non-labor Income

The term "Non-Labor Income" is also referred by some economists as "Non-Earnings Income". It consists of Dividends, Interest and Rent (collectively often referred to as money earned from investments) and Transfer Payments (payments from governments to individuals, age-related, including Medicare, disability insurance payments, and retirements).

(See methods section for definitions and further explanations.)

- In the last 32 years, non-labor sources grew at an annual rate of 3.9%, outpacing labor sources which grew at a 0.7% rate.
- 33.9% of total personal income in 2002 was from non-labor sources.
- 63.8% of new income from 1970 to 2002 was from non-labor sources.



Non-labor income under estimates retirement income because it does not include pensions (401K's).

Labor vs. Non-Labor

All income in millions of 2002 dollars	1970	1970 % of Total	1992	1992 % of Total	2002	2002 % of Total	New Income 70-02	% of New Income	% Chg Ann. Rate 70-02	% Chg Ann. Rate 92-02
Total Personal Income	784	100%	1,050	100%	1,251	100%	467	100.0%	1.5%	1.8%
Labor Sources	658	84%	710	68%	827	66%	169	36.2%	0.7%	1.5%
Non-Labor Sources	126	16%	340	32%	424	34%	298	63.8%	3.9%	2.2%
Dividends, interest, and rent	74	9%	159	15%	160	13%	86	18.5%	2.5%	0.0%
Personal current transfer receipts	53	7%	181	17%	264	21%	212	45.3%	5.2%	3.9%

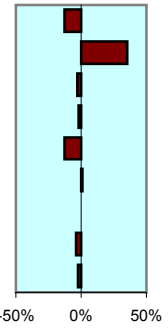
Percentages do not add to 100 because of adjustments made by BEA, such as residence, social security, and others.

Source: BEA REIS 2002 Table CA30

Components of Transfer Payments

All figures in millions of 2002 dollars	1970	% of Total TP	2002	% of Total TP	New Payments 1970 to 2002	% of New Payments
Total transfer payments	52.6		264.2		211.6	
Government payments to individuals	46.3	88%	249.5	94%	203.2	96.0%
Retirement & disab. insurance benefit payments	24.4	46%	88.7	34%	64.3	30.4%
Medical payments	5.5	10%	120.3	46%	114.8	54.3%
Income maintenance benefit payments ("welfare")	6.6	13%	25.8	10%	19.3	9.1%
Unemployment insurance benefit payments	1.7	3%	3.6	1%	1.9	0.9%
Veterans benefit payments	7.7	15%	5.2	2%	(2.5)	NA
Federal educ. & trng. asst. pay. (excl. vets)	0.5	0.9%	4.9	1.9%	4.4	2.1%
Other payments to individuals	0.1	0.2%	0.9	0.3%	0.8	0.4%
Payments to nonprofit institutions *	3.8	7%	8.7	3%	4.9	2.3%
Business payments to individuals	2.4	5%	5.9	2%	3.5	1.7%
Age-related (Retirement, Disability & Medicare)	25.8	49%	158.2	60%	132.4	62.6%

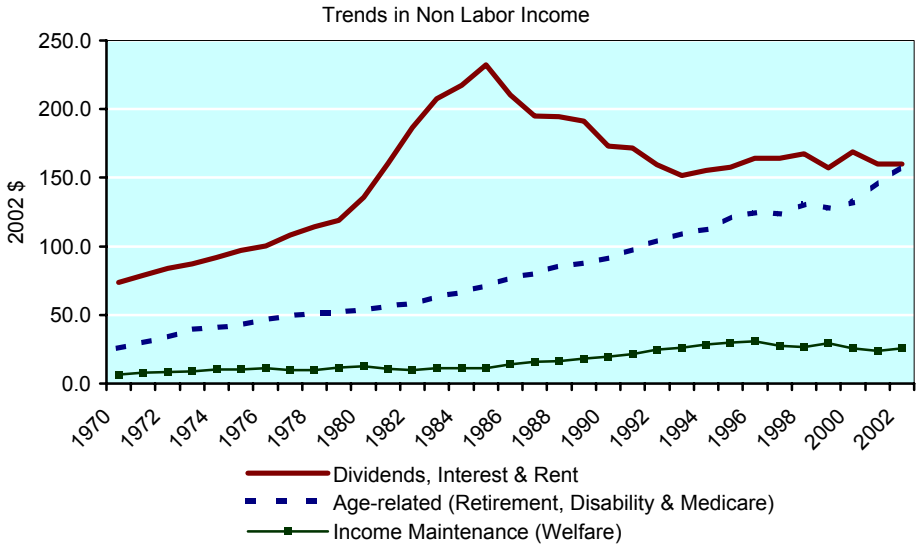
Change in Share of Total (1970 - 2002)



Trends in Non-Labor Income by Type

- The largest components of Nor Labor Income are from Dividends, Interest & Rent (i.e. money earned from past investments).

- In 2002 welfare represented 978.5% of transfer payments, and 210.0% of total personal income. This is down from 1970 and down from 1980.



Components of Transfer Payments

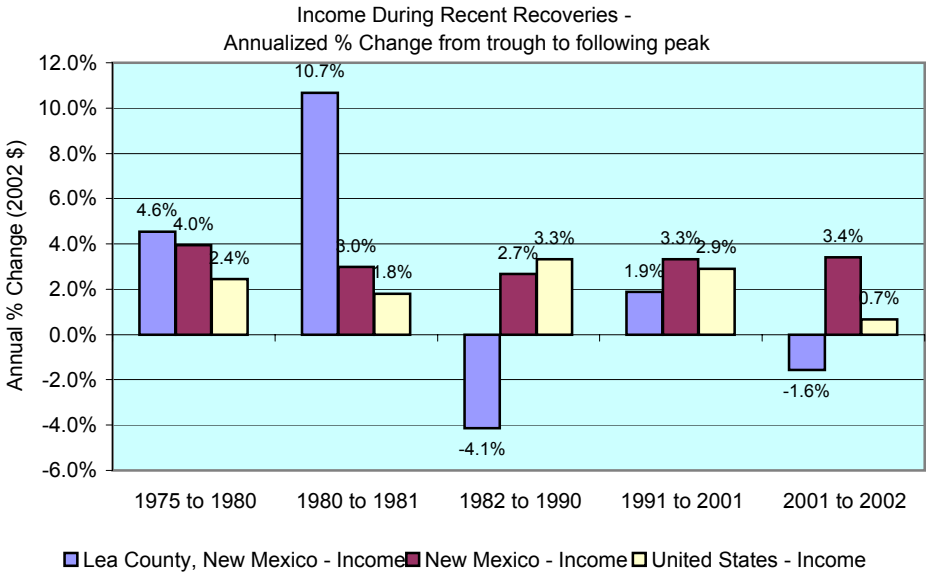
- In 2002, 60% of Transfer Payments were from age-related sources (retirement, disability, insurance payments, and Medicare), while 10% was from welfare.

* See glossary for definitions.

Source: BEA REIS 2002 Table CA35

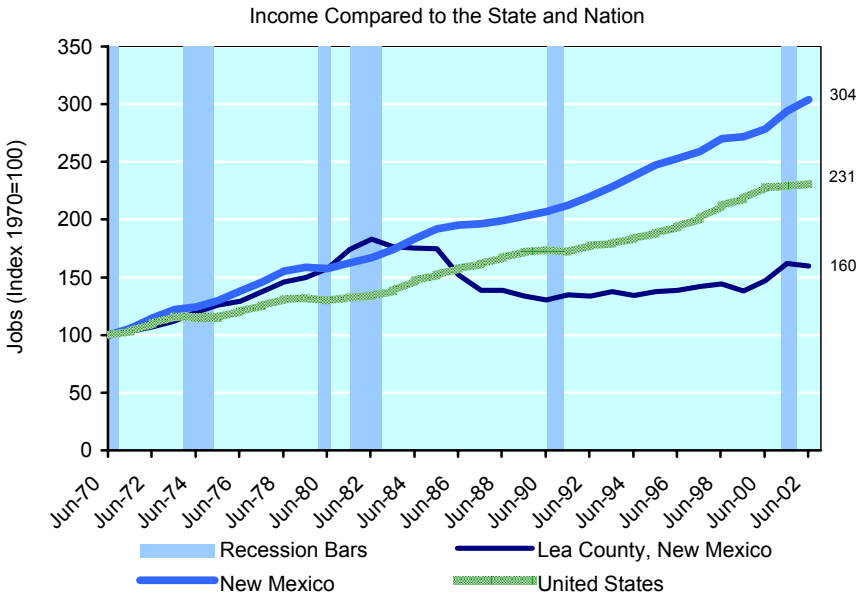
How well do we recover from recessions?

- In the latest recovery (2001 tc 2002), income growth in New Mexico (up 3.4%) outpaced the United States and Lea County, New Mexico.
- Similarly, in the last recovery (1991 to 2001), New Mexico (up 3.3%) grew the fastest.
- In the recovery from 1982 to 1990, the United States (up 3.3%) grew the fastest.



Income Growth Compared to the State and the Nation

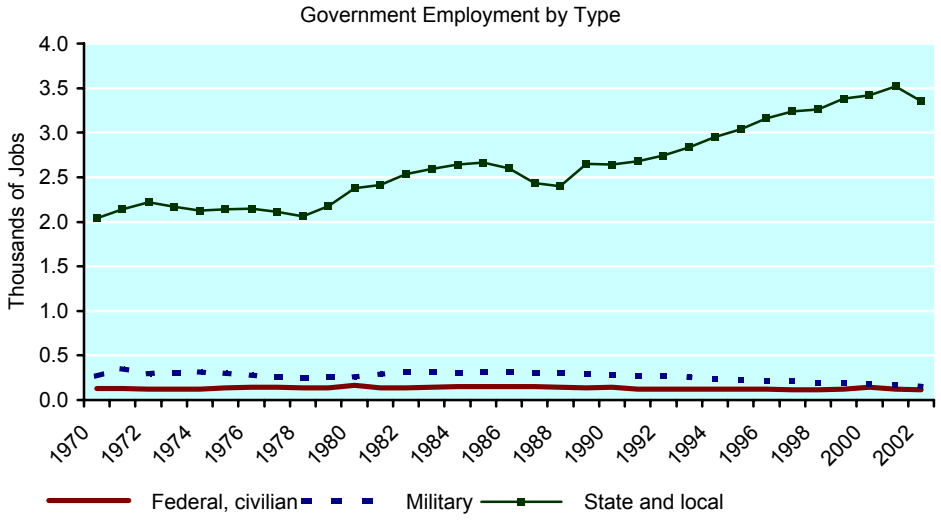
- Over the last 32 years income growth has been slower than the state and slower than the nation.
- Some areas can experience income gains even during the recessions. If so, check to see how much of the change is due to changes in earnings per job, employment, migration and population changes.



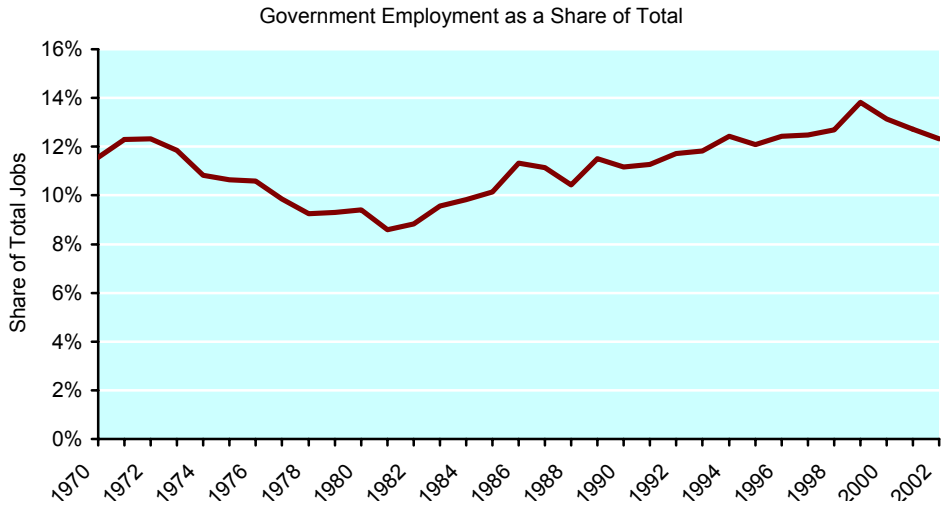
Source: BEA REIS 2002 Table CA30

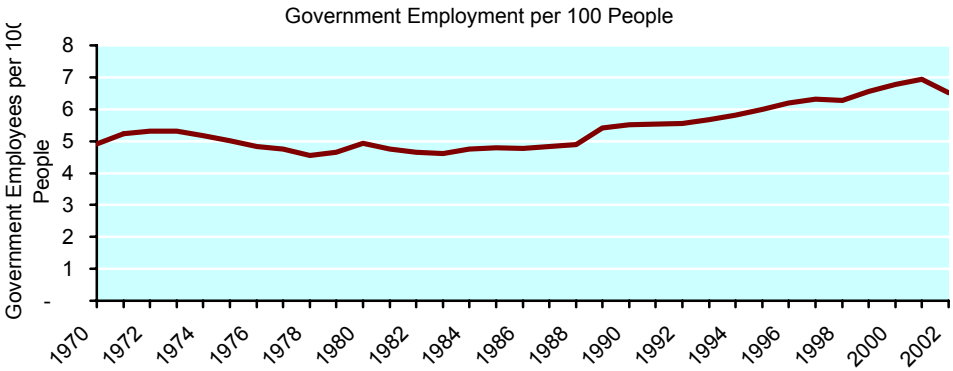
Government Employment

- The majority of the growth in government employment has been in state and local government (111%).



- Is the size of government getting bigger? One way to answer this is to look at whether government employment has grown. If so, what type of government employment, and how does it compare to population growth? The figures on this page show government employment by type.



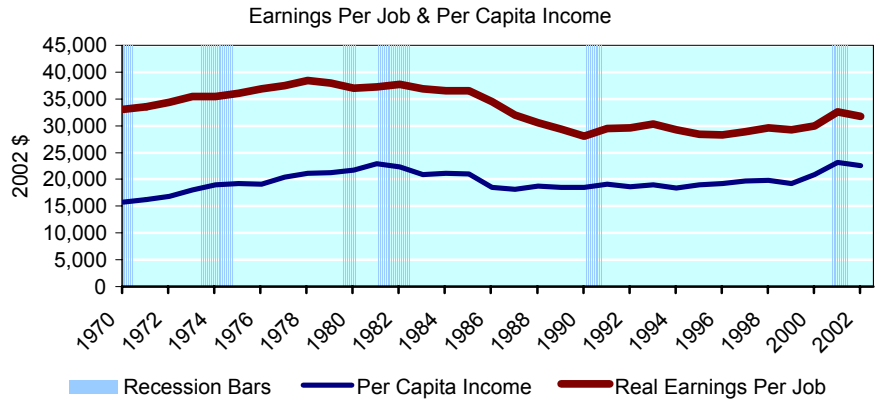


Source: BEA REIS 2002 Table CA25 and CA25N

Earnings Per Job

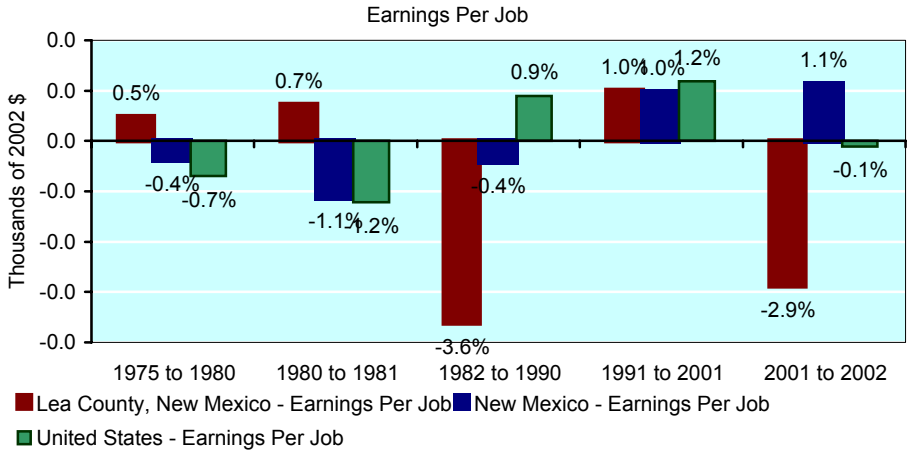
$$\text{Average Earnings per Job} = \frac{\text{Total Wages Earned}}{\text{Total \# of Workers}}$$

- Average earnings per job, adjusted for inflation, have fallen from $33,096 in 1970 to $31,691 in 2002.
- In 2002, Average earnings per job in Lea County, New Mexico ($31,691) were lower than the state ($33,461) and the nation ($40,758).



How well do we recover from recessions?

- In the current recovery (2001 to 2002), earnings per job growth in New Mexico (up 1.1%) have outpaced the United States and Lea County New Mexico.
- Alternatively, in the last recovery (1991 to 2001), the United States (up 1.2%) grew the fastest.
- In the recovery from 1982 to 1990, the United States (up 0.9%) grew the fastest.



There are several reasons why earnings per job may change over time:

1) Average earnings per job statistics include full and part-time employment. In some counties only a portion of the eligible workforce works full-time, driving down wage statistics. Run an EPSC profile to see the percentage of people working full-time.

2) Communities with an increase in tourism may see a decline in earnings due to a rise in seasonal (part-time) workers.

3) Communities that have established themselves as regional retail trade centers may see a decline in wages due to the low wages paid in retail trade.

4) Structural changes may have resulted in the loss of relatively high-wage occupations. Look at the long-term trends in employment, by industry, and compare to the nation and other counties. Are the changes local, or part of nation-wide trends?

5) More women have entered the workforce, and because of relatively lower pay, or because of fewer hours worked (depending on the region both may occur), earnings may decline over time. For a comparison of male versus female income run an EPSC profile.

6) Earnings will decline if job growth is primarily from low-wage services industries. Look at the breakdown of different industrial sectors to see the type of service industries that are growing. Does the community have what it takes (education, airports, amenities, etc.) to attract the high-wage service industries (engineering, finance, etc.)?

7) People may be choosing to live in some communities for quality of life reasons. In some areas the increase in population can outpace the rate of job creation, thereby flooding the labor market and causing a downturn in wages. Look at the growth rates of population relative to growth in jobs and personal income.

Source: BEA REIS 2002 Table CA30

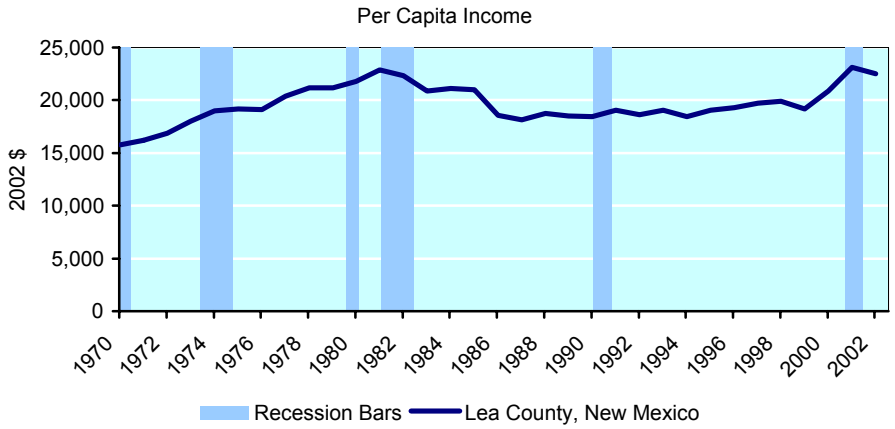
Per Capita Income

$$PCI = \frac{\text{Total Personal Income}}{\text{Population}}$$

Per capita income is often used as a measure of economic performance, but it should be combined with changes in earnings for a realistic picture of economic health:

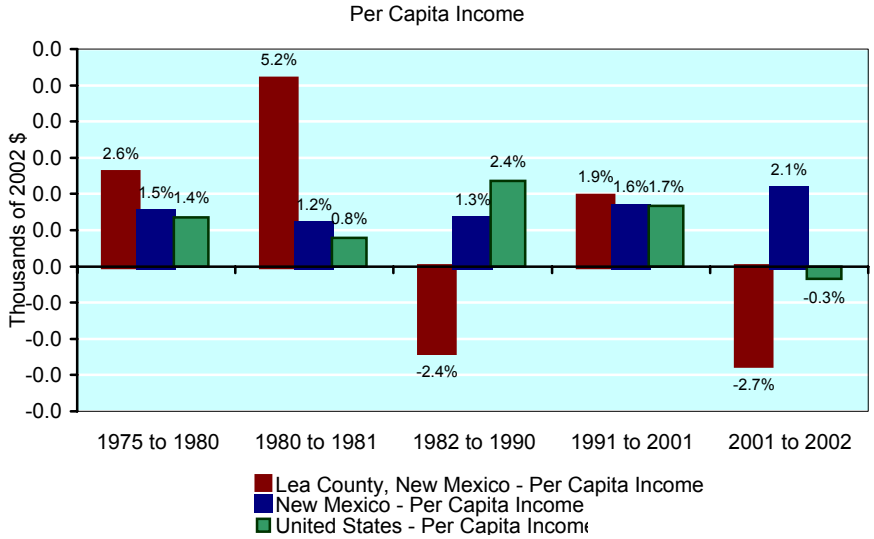
Since total personal income includes income from 401(k) plans as well as other non-labor income sources like transfer payment, dividends, and rent, it is possible for per capita income to rise, even if the average wage per job declines over time. In other words, the non-labor sources of income can cause per capita income to rise, even if people are earning less per job.

- Per capita income, adjusted for inflation, has risen from $15,792 in 1970 to $22,503 in 2002.
- In 2002, per capita income in Lea County, New Mexico ($22,503) was lower than the state ($24,823) and the nation ($30,906).



How well do we recover from recessions?

- In the current recovery (2001 to 2002), per capita income growth in New Mexico (up 2.1%) has outpaced the United States and Lea County, New Mexico.
- Alternatively, in the last recovery (1991 to 2001), Lea County, New Mexico (up 1.9%) grew the fastest.
- In the recovery from 1982 tc 1990, the United States (up 2.4%) grew the fastest.



Source: BEA REIS 2002 Table CA30

Firms by Industry (SIC)

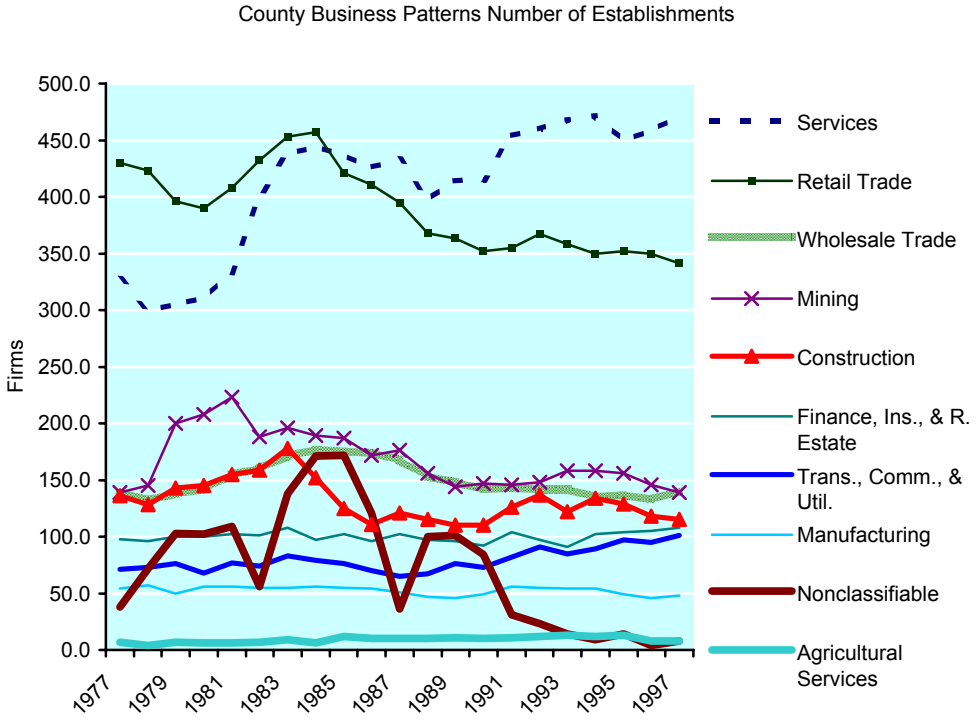
The advantage of this data source is that it never has disclosure restrictions. This source also releases data for hundreds of sectors (available on demand). The data on this page are from the US Census County Business Patterns, which unlike the REIS data, does NOT include proprietors, government, household services or railroad workers. If available, we encourage you to look at employment and income data from BEA REIS starting on page 26 as well.

Growth

- The employment category whose share of total gained the most was services, which went from 22.7% in 1977 to 31.8% in 1997.

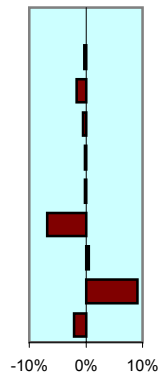
Decline

- The category whose share of total shrank the most was retail trade, which went from 29.9% in 1977 to 23.1% in 1997.



Firms by Industry

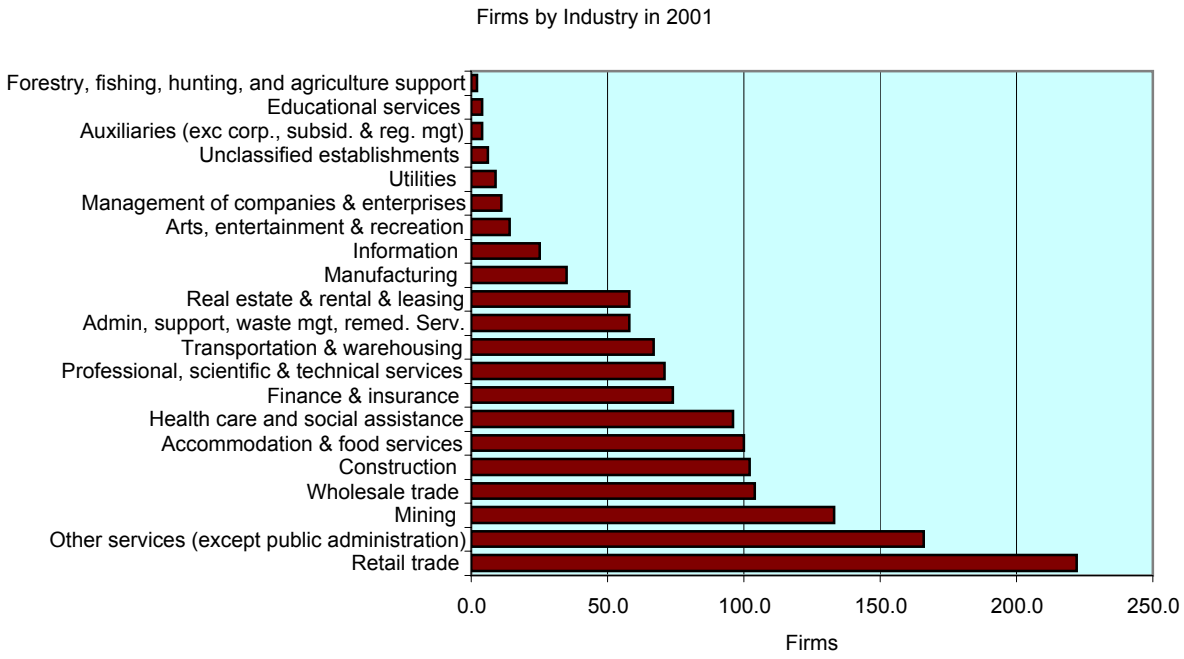
	1977	Shr of Tot	1987	Shr of Tot	1997	Shr of Tot	New Firms 77-97	New Firms Shr of Tot	Change in Share of Total
Total	1439		1557		1478		39		
Agricultural Services	7	0.5%	10	0.6%	8	0.5%	1	2.6%	
Mining	139	9.7%	176	11.3%	139	9.4%	0	0.0%	
Construction	136	9.5%	121	7.8%	115	7.8%	-21	NA	
Manufacturing	54	3.8%	51	3.3%	48	3.2%	-6	NA	
Trans., Comm., & Util.	71	9.7%	65	10.8%	101	9.5%	1	2.6%	
Wholesale Trade	139	9.7%	168	10.8%	140	9.5%	1	2.6%	
Retail Trade	430	29.9%	395	25.4%	341	23.1%	-89	NA	
Finance, Ins., & R. Estate	98	6.8%	102	6.6%	108	7.3%	10	25.6%	
Services	327	22.7%	433	27.8%	470	31.8%	143	366.7%	
Nonclassifiable	38	2.6%	36	2.3%	8	0.5%	-30	NA	



Data ends in 1997 because the CBP switched to a different classification system (NAICS) in 1997.

Source: Census County Business Patterns

Firms by Industry in 2001 (NAICS)



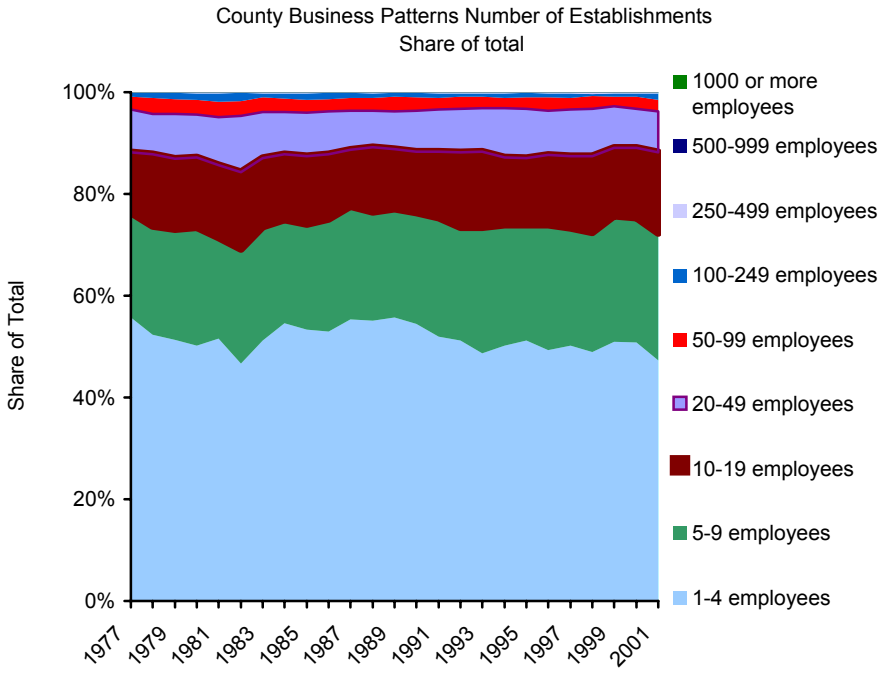
Firms by size and industry in 2001

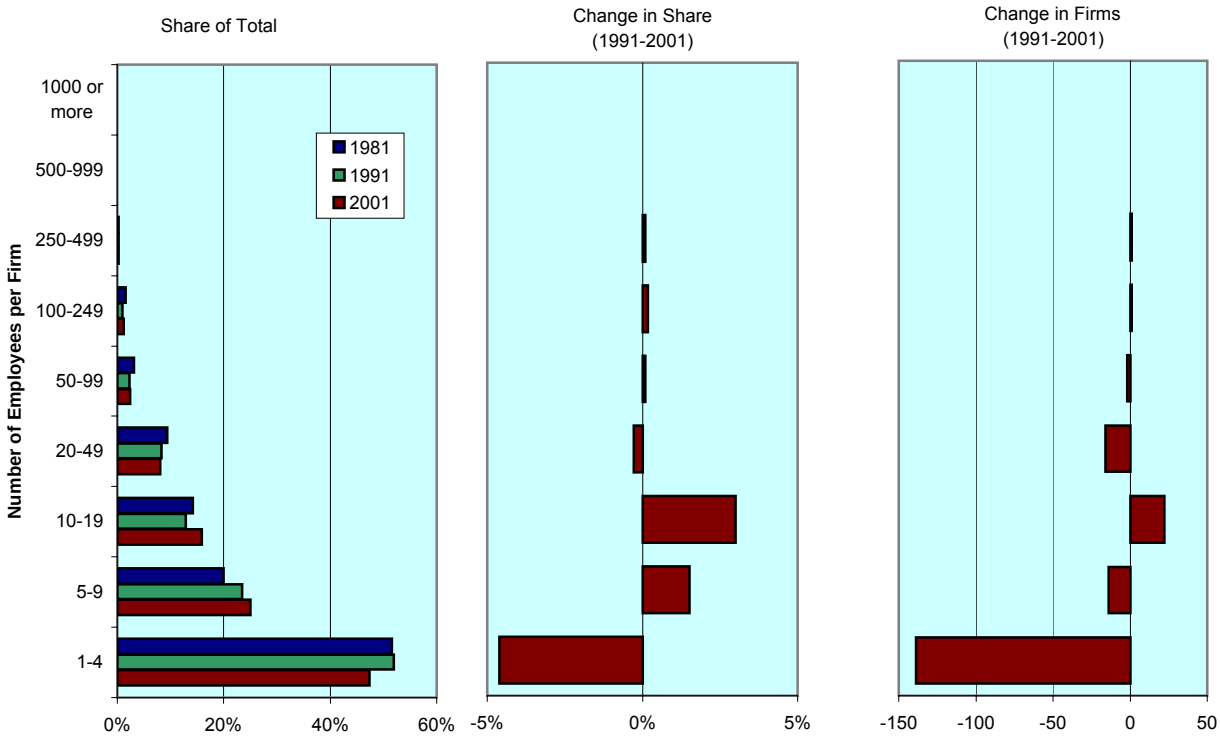
		Number of Employees per Firm								
	Total	1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000 or more
Forestry, fishing, hunting, and agriculture sup	2	1	1	0	0	0	0	0	0	0
Mining	133	52	26	26	19	9	1	0	0	0
Utilities	9	2	2	0	5	0	0	0	0	0
Construction	102	52	34	8	4	2	1	1	0	0
Manufacturing	35	14	7	7	4	2	1	0	0	0
Wholesale trade	104	41	30	25	7	1	0	0	0	0
Retail trade	222	92	82	25	15	3	5	0	0	0
Transportation & warehousing	67	33	14	10	7	2	0	1	0	0
Information	25	11	4	6	3	1	0	0	0	0
Finance & insurance	74	45	14	9	5	1	0	0	0	0
Real estate & rental & leasing	58	36	8	10	3	1	0	0	0	0
Professional, scientific & technical services	71	41	18	9	3	0	0	0	0	0
Management of companies & enterprises	11	5	1	3	2	0	0	0	0	0
Admin, support, waste mgt, remed. Serv.	58	38	13	4	1	1	0	1	0	0
Educational services	4	3	0	0	0	0	1	0	0	0
Health care and social assistance	96	38	26	14	7	3	7	1	0	0
Arts, entertainment & recreation	14	5	4	4	1	0	0	0	0	0
Accommodation & food services	100	28	14	38	15	5	0	0	0	0
Other services (except public administration)	166	99	41	18	7	1	0	0	0	0
Auxiliaries (exc corp., subsid. & reg. mgt)	4	2	1	0	1	0	0	0	0	0
Unclassified establishments	6	6	0	0	0	0	0	0	0	0
Total	1361	644	340	216	109	32	16	4	0	0

Source: Census County Business Patterns

Firms by Size

- The size category that grew the most was 10-19 employees.
- As a share of total, the size category that gained the most was 10-19 employees.
- In 2001, 88% of the firms had fewer than 20 employees.

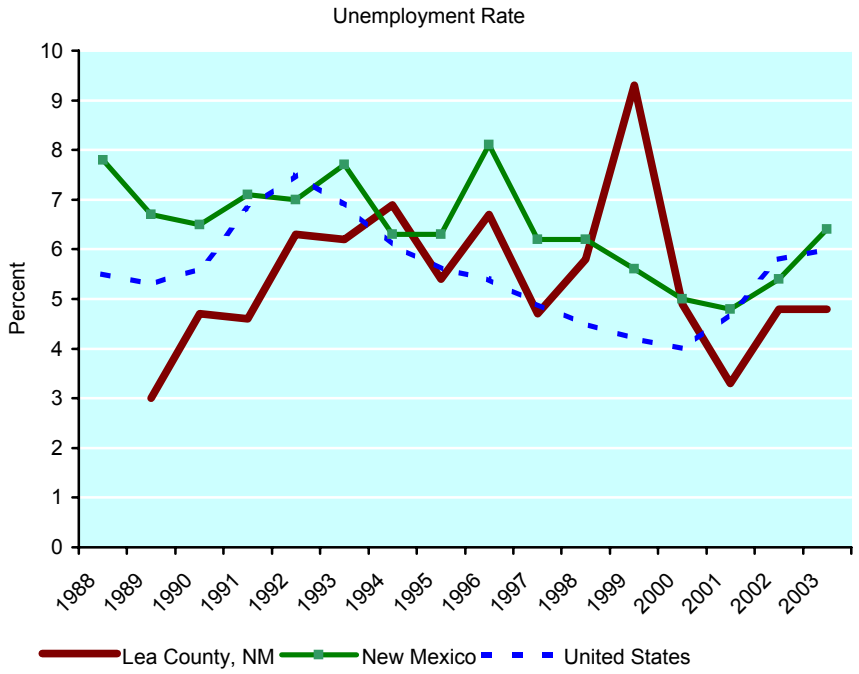




Source: Census County Business Patterns

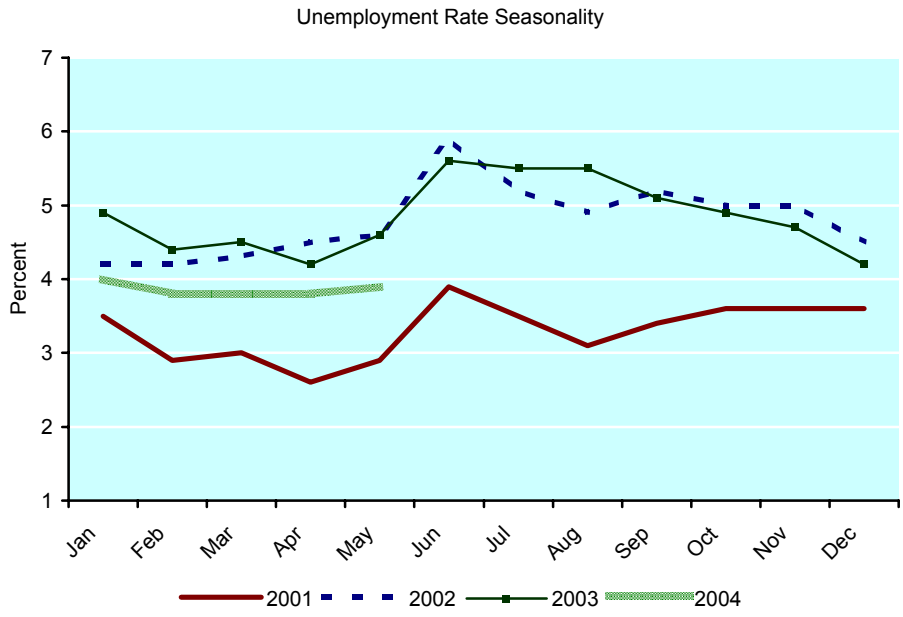
Annual Average Unemployment Rate Compared to the State and the Nation

- In 2003, the unemployment rate was 4.8%, compared to 6.4% in the state and 6.0% in the nation.



Unemployment Rate Seasonality

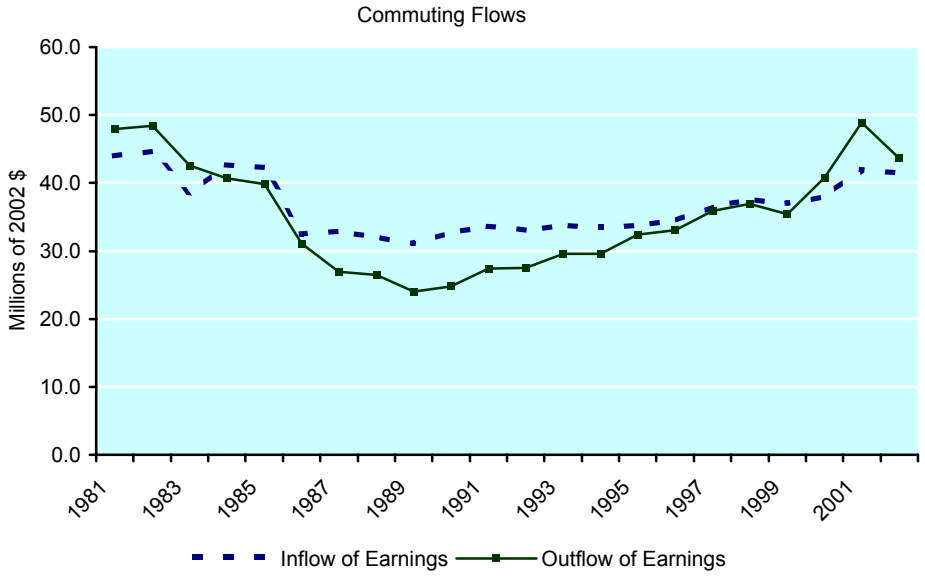
- This graph illustrates the seasonal variation in the unemployment rate over the last three years. In 2003, the unemployment rate varied from from a low of 4.2% in December 2003 to a high of 5.6% in June 2003



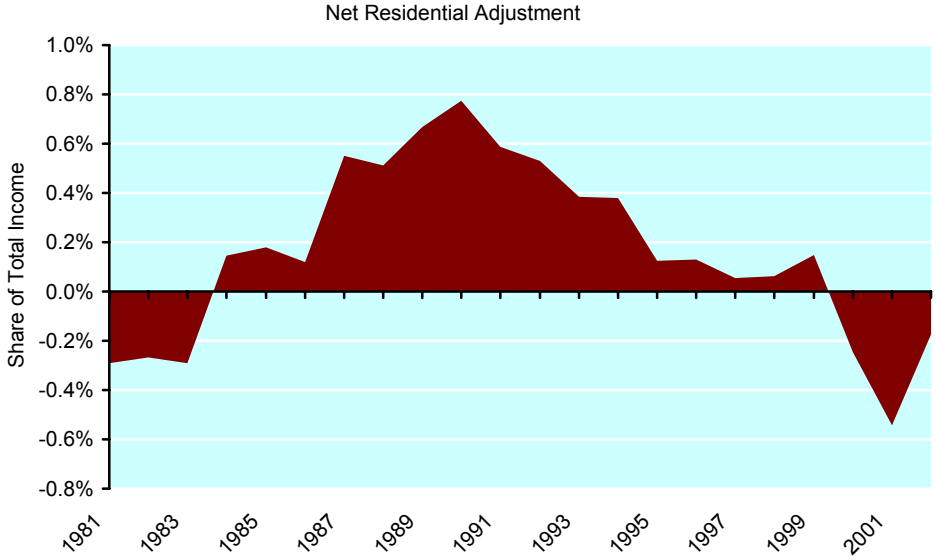
Source: Bureau of Labor Statistics

Inflow & Outflows

- Commuting data suggests that Lea County, New Mexico is an employment hub. (Income derived from people commuting into the county exceeds the income from people commuting out of the county.) The net difference represents 0.2% of total income in the county.



- A negative Net Residential Adjustment indicates in-commuting for work from adjacent counties.



The Bureau of Economic Analysis (BEA) reports personal income in terms of location of residence. BEA calculates how much money is earned in the county by people living outside the county (Total Gross Earnings Outflow) and it calculates how much money is brought into the county residents who work outside of the county (Total Gross Earnings Inflow). Subtracting one from the other gives the Net Residence Adjustment. The Inflow and Outflow Trends indicate whether the county is closely tied to others in terms of commuting.

Source: BEA REIS 2002 Table CA91

Agriculture (Business Income)

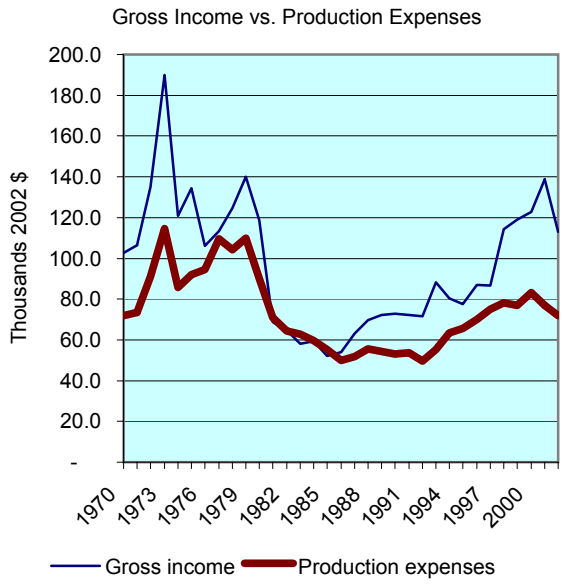
Farm income figures presented on this page reflect income from farming *enterprises* (income of the business). The term "farm" includes farming and ranching, but not agricultural services such as soil preparation services and veterinary services. In contrast, farm income figure presented in the next section reflect personal income earned by *individuals* (income of individuals, both proprietors and wage and salary employees) who work in farming and ranching.

Farm income of businesses differs from individual farm income because it also includes government payments, rent, the value of inventory change and production expenses. In some areas, net farm income can be negative when production expenses exceed gross income.

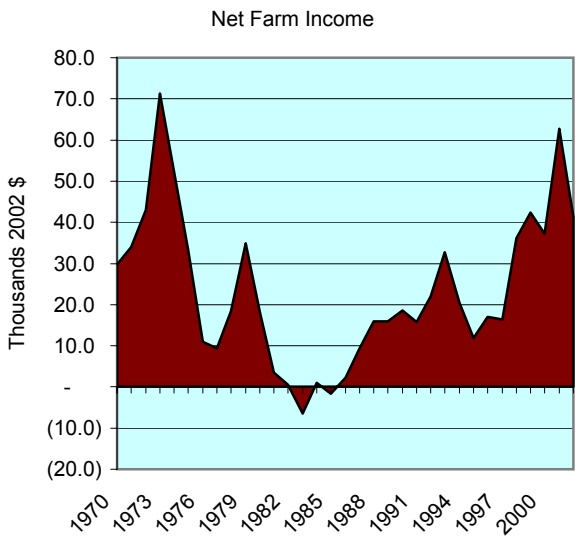
Gross Income, Expenses, and Net Income from Farming and Ranching

All figures in thousands of 2002 dollars	1970	% of Gross Income	1992	% of Gross Income	2002	% of Gross Income	70-02 Change in Share
Gross Income (Cash + Other)	102,589		71,543		113,158		
Cash Receipts from Marketings	89,064	87%	65,138	91%	100,660	89.0%	2%
Livestock & Products	66,526	65%	49,256	69%	79,414	70.2%	5%
Crops	22,539	22%	15,882	22%	21,246	18.8%	-3%
Other Income	13,525	13%	6,405	9%	12,498	11.0%	-2%
Government Payments	11,898	12%	4,340	6%	5,129	4.5%	-7%
Imputed Rent & Rent Received	1,627	2%	2,064	3%	7,369	6.5%	5%
Production Expenses	71,844		49,590		71,940		
Realized Net Income (Income - Expenses)	30,745		21,953		41,218		
Value of Inventory Change	(978)	-1%	90	0%	88	0.1%	NA
Total Net Income (Inc. corporate farms)	29,767		22,043		41,306		

Gross Income vs. Production Expenses



Net Farm Income



Source: BEA REIS 2002 CD Table CA45

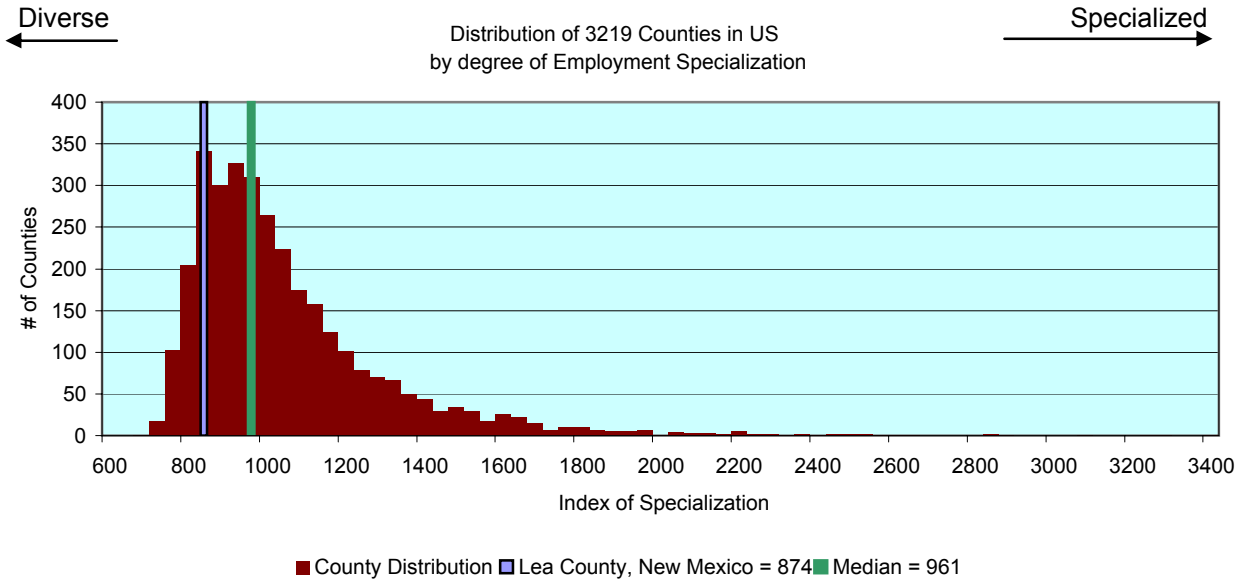
Relative Performance Comparisons

In the following pages (23-25) you will learn about:

1. The economic diversity of the county, compared to the state and the nation.
2. The year to year stability of personal income growth, comparing the county to the state and the nation.
3. The stability of personal income over time, comparing labor versus non-labor income.
4. If this is a county profile, numerous performance characteristics of the county (population growth, employment growth, employment stability, etc.), are used to compare the county to the median county in the country (a “benchmark”).

Employment Diversity Index

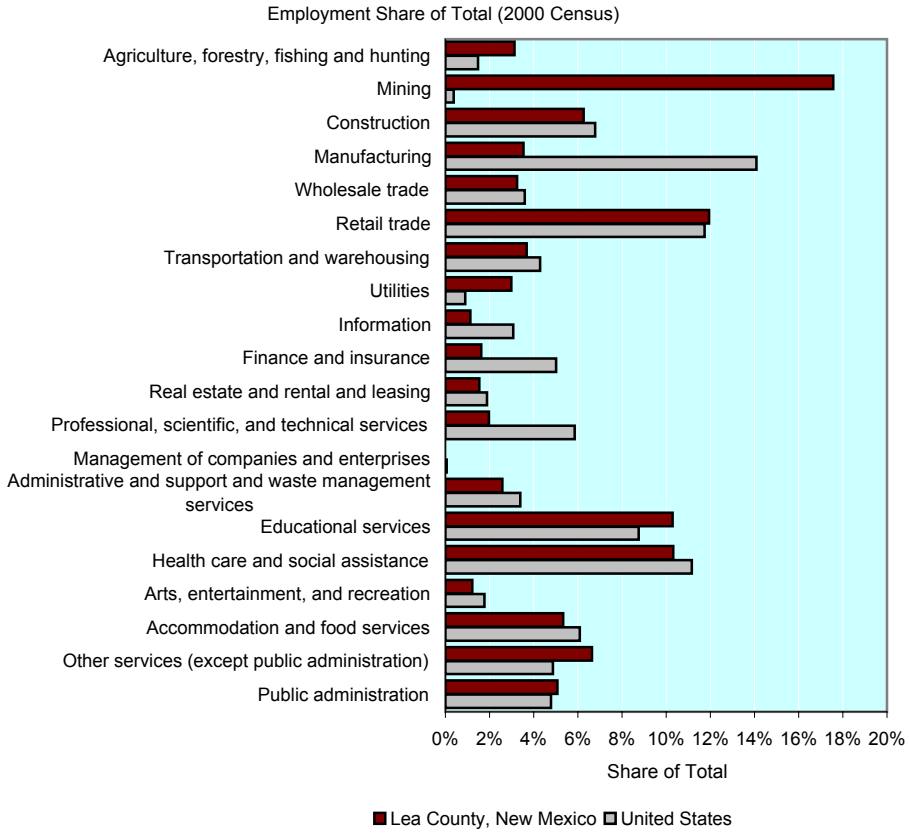
One measure of economic success is economic diversity, or the lack of specialization. Communities that are heavily reliant on only a few industries are economically vulnerable to disruptions. This page documents one measure of specialization based on employment data from the 2000 Census.



- The above chart illustrates how this county compares to all of the other counties in the nation. Each bar represents the number of counties that have a index of specialization in that range. The green vertical line illustrates the value for the mean. As you can see, most counties are similar, but there are a few counties that are wildly specialized (the long tail on the right).

- Lea County, New Mexico is roughly average (874 versus a median of 961 for the US counties.)

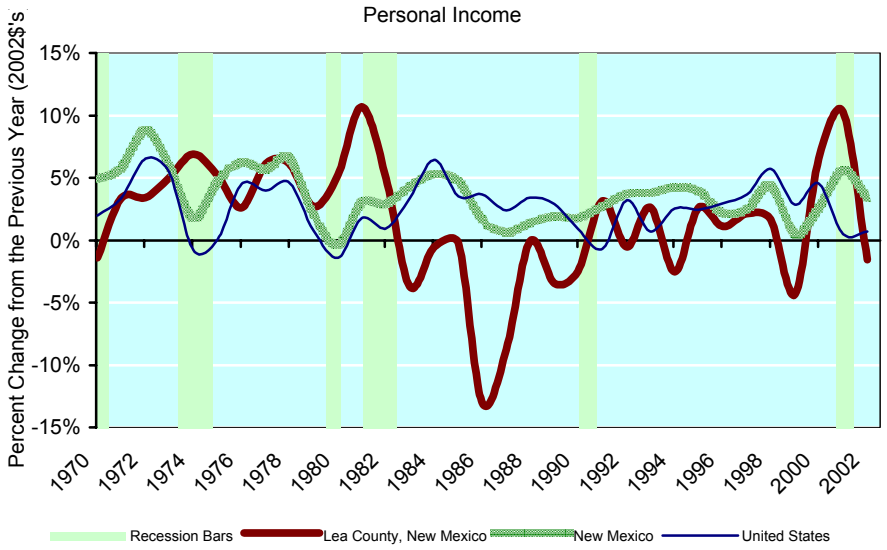
- The chart to the right illustrates the data on which the index is based - employment share of total from the 2000 Census. There are more timely breakouts by industry from a different data source later in the profile.



Source: Census 2000 SF3 Table P49.

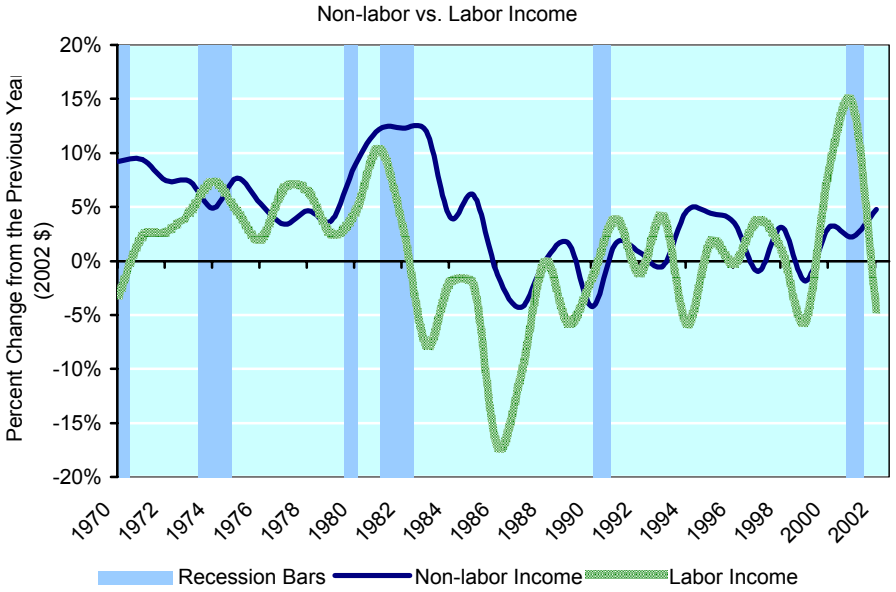
Stability vs. State and Nation

- Different regions can behave very differently during recessions and recoveries.
- Note: Below 0% means absolute decline. Above 0% means absolute growth, but at different rates.



Labor vs. Non-Labor Income Stability

- Non-labor income sources can have a stabilizing effect on the economy and are sometimes, but not always, counter-cyclical to labor income.



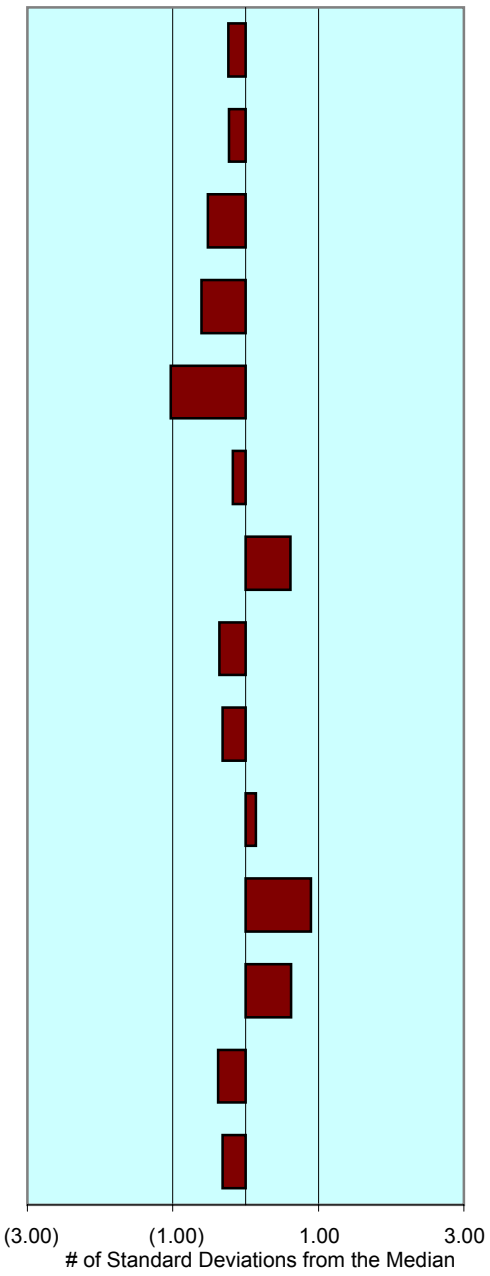
Source: BEA REIS 2002 Table CA30

Performance Comparisons

Benchmark = Median of all Counties in U.S.***

Compared to benchmark area, the county has:
Less Than | More Than

	County	US Median
Population Growth (1970-2002)	0.4%	0.7%
Employment Growth (Annualized rate, 1970-2002)	1.0%	1.4%
Personal Income Growth (Adjusted for inflation, annualized rate, 1970-2002)	1.5%	2.3%
Non-labor Income Share of Total in 2002	33.9%	39.2%
Median Age*	33.1	37.3
Per Capita Income (2002)	$ 22,503	$ 23,528
Average Earnings Per Job (2002)	$ 31,691	$ 26,782
Education Rate (% of population 25 and over who have a college degree)*	11.6%	14.5%
Employment Specialization*	873.9	961.0
Ratio Rich/Poor (Number of households that made under $30K for every household that made over $100K.)*	11.1	8.7
Housing Affordability (100 or above means that the median family can afford the median house*)	245	186
Change in Housing Affordability (1990-2000)*	21.9%	10.3%
Government share of total employment	12%	15%
Unemployment Rate in 2003**	4.8%	5.8%



* from 2000 US Census ** from Bureau of Labor Statistics

***Median is the middle value of a list of numbers. This is different from mean (average), which is the sum of all the numbers in a list divided by the number of numbers in the list.

In the following pages (28-30) you will learn about:

1. Employment and personal income trends, from 1970 to 2002
2. How the structure of the economy has changed during the last three decades

Information for some industries and for some years may not be available from the U.S. Department of Commerce because of disclosure restrictions.

What is a 'disclosure restriction'?

A disclosure restriction means a gap exists in the data. Information has been suppressed by the U.S. Department of Commerce to avoid disclosure of confidential information. Generally, the smaller the geographic level of analysis and the smaller the population of the county, the higher the chances that industry-specific information is suppressed and that disclosure restrictions will occur.

EPS has a built-in system for estimating the data gaps that allows the user to choose from the following techniques to fill in data gaps:

- Use different sources of data (e.g. County Business Patterns instead of the Department of Commerce's Regional Economic Information System - BEA REIS)
- Subtract all known rows of data from total to locate the missing row
- Apply the percent change from previous year using County Business Patterns data
- Extend the recent growth rate
- Use least squares technique to forecast a trend line
- Apply a straight line to the gap
- Apply constant share of total
- Decide on a larger geographic level of analysis
- Do nothing and leave the data gap.

Whenever data has been estimated using one of these techniques, it will be noted in a footnote at the bottom of the page, and the data cell will be shaded in gray.

Important Notes on the Industrial Classification Systems used by EPS

The U.S. Department of Commerce made a transition in how economic information is gathered and organized. The Standard Industrial Classification System (SIC) was used from 1970 to 2000; the North American Industrial Classification System (NAICS, pronounced “nakes”) is used currently, for data from 2001 and beyond.

Unfortunately the two systems are not backward comparable, so they are presented separately in EPS: 1970 to 2000 data are organized by SIC, and data beyond those years are organized by NAICS.

The most important change resulting from the shift to NAICS is the recognition of hundreds of new businesses in today’s economy. NAICS divides the economy into 20 broad sectors rather than the SIC’s 10 divisions. This is especially helpful in giving a more detailed breakdown of the fastest growth area in the country’s economy – “services.” For example, advanced technology related “service” industries (e.g., professional, scientific and technical services) are clearly differentiated from “in-person” services (e.g., health care) and low-wage services (e.g., accommodation and food services).

For historical data (1970-2000, organized by SIC) EPS was designed to illustrate the complexity of the service economy in a couple of ways:

1) We use the term "Services and Professional" to underscore an important point: service occupations are not just “hamburger flippers and maids,” but rather consist of a combination of high-paying and low-paying professions, mixing physicians with barbers, and chambermaids with architects and financial consultants.

2) We reorganized the SIC categories into different types of services, such as Consumer Services, Producer Services, Social Services, and Government Services.

The transition to NAICS has alleviated the need to explain that “services” are actually a wide mix of low, medium, and high-wage industries.

About Missing Data

This profile is organized so that all non-disclosed information is presented first. Employment and personal income by indus is presented last. For some rural counties, and for some industries, data gaps may be estimated using a variety of techniques.

Employment (SIC)

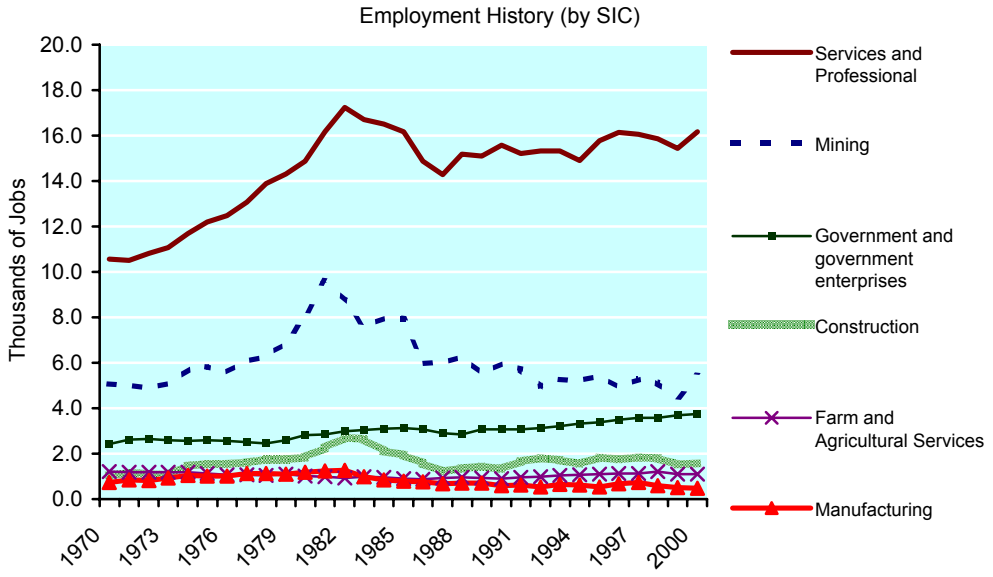
Data ends in 2000 because the BEA switched to a different classification system (NAICS) in 2001.

Growth

- The employment category whose share of total gained the most was services (health, legal, business, others), which went from 15.4% in 1970 to 26.0% in 2000.

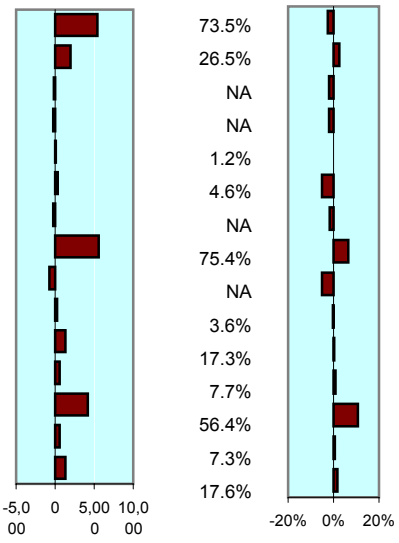
Decline

- The category whose share of total shrank the most was transportation & public utilities, which went from 10.1% in 1970 to 5.0% in 2000.



Employment by Industry
Changes from 1970 to 2000

	1970	% of Total	2000	% of Total	New Employment	% of New Employment	Change in Share
Total Employment	21,061		28,469		7,408		
Wage and Salary Employment	17,623	83.7%	23,071	81.0%	5,448	73.5%	
Proprietors' Employment	3,438	16.3%	5,398	19.0%	1,960	26.5%	
Farm and Agricultural Services	1,217	5.8%	1,091	3.8%	-126	NA	
Farm	1,068	5.1%	855	3.0%	-213	NA	
Ag. Services	149	0.7%	236	0.8%	87	1.2%	
Mining	5,071	24.1%	5,410	19.0%	339	4.6%	
Manufacturing (incl. forest products)	723	3.4%	490	1.7%	-233	NA	
Services and Professional	10,577	50.2%	16,162	56.8%	5,585	75.4%	
Transportation & Public Utilities	2,131	10.1%	1,423	5.0%	-708	NA	
Wholesale Trade	1,014	4.8%	1,281	4.5%	267	3.6%	
Retail Trade	3,362	16.0%	4,642	16.3%	1,280	17.3%	
Finance, Insurance & Real Estate	837	4.0%	1,408	4.9%	571	7.7%	
Services (Health, Legal, Business, Others)	3,233	15.4%	7,408	26.0%	4,175	56.4%	
Construction	1,039	4.9%	1,578	5.5%	539	7.3%	
Government	2,434	11.6%	3,738	13.1%	1,304	17.6%	



Agricultural Services include soil preparation services, crop services, etc. It also includes forestry services, such as reforestation services, and fishing, hunting and trapping.***Manufacturing*** includes paper, lumber and wood products manufacturing.

Source: BEA REIS 2002 CD Table CA25

Growth

- Missing data prevents this ranking

Decline

- Missing data prevents this ranking.

Employment by Industry (Naics)
Changes from 2001 to 2002 Share of Total

Category	2001	2002	2002 Share of Total	New Jobs	Change in Share of Total (2002 - 2001)
Total employment	29,972.0	29,386.0	100%	(586.0)	
Wage and salary employment	24,606.0	23,812.0	81%	(794.0)	
Proprietors employment	5,366.0	5,574.0	19%	208.0	
Farm proprietors employment	584.0	584.0	2%	-	
Nonfarm proprietors employment	4,782.0	4,990.0	17%	208.0	
Farm employment	837.0	835.0	3%	(2.0)	
Nonfarm employment	29,135.0	28,551.0	97%	(584.0)	
Private employment	25,325.0	24,932.0	85%	(393.0)	
			0% 50% 100%	(1,000.0) - 1,000.0	-2% 0% 2%
Forestry, fishing, related activities, and oth.	153.0	176.0	1%	23.0	
Mining	5,591.0	4,734.0	16%	(857.0)	
Utilities	252.0	251.0	1%	(1.0)	
Construction	2,150.0	2,060.0	7%	(90.0)	
Manufacturing	401.0	359.0	1%	(42.0)	
Wholesale trade	1,207.0	1,154.0	4%	(53.0)	
Retail Trade	3,447.0	3,253.0	11%	(194.0)	
Transportation and warehousing	996.0	963.0	3%	(33.0)	
Information	261.0	261.0	1%	-	
Finance and insurance	767.0	817.0	3%	50.0	
Real estate and rental and leasing	825.0	1,012.0	3%	187.0	
Professional and technical services	631.0	686.0	2%	55.0	
Management of companies and enterprises	134.0	95.0	0%	(39.0)	
Administrative and waste services	1,456.0	1,601.0	5%	145.0	
Educational services	#N/A	#N/A	#N/A	#N/A	
Health care and social assistance	#N/A	#N/A	#N/A	#N/A	
Arts, entertainment, and recreation	241.0	251.0	1%	10.0	
Accommodation and food services	1,688.0	1,613.0	5%	(75.0)	
Other services, except public administration	1,817.0	1,934.0	7%	117.0	
Government and government enterprises	3,810.0	3,619.0	12%	(191.0)	
Federal, civilian	119.0	117.0	0%	(2.0)	
Military	172.0	151.0	1%	(21.0)	
State and local	3,519.0	3,351.0	11%	(168.0)	
State government	286.0	292.0	1%	6.0	
Local government	3,233.0	3,059.0	10%	(174.0)	
			0% 10% 20%	(1,000.0) - 1,000.0	-5% 0% 5%

Source: BEA REIS 2002 CD Table CA25N

Personal Income (SIC)

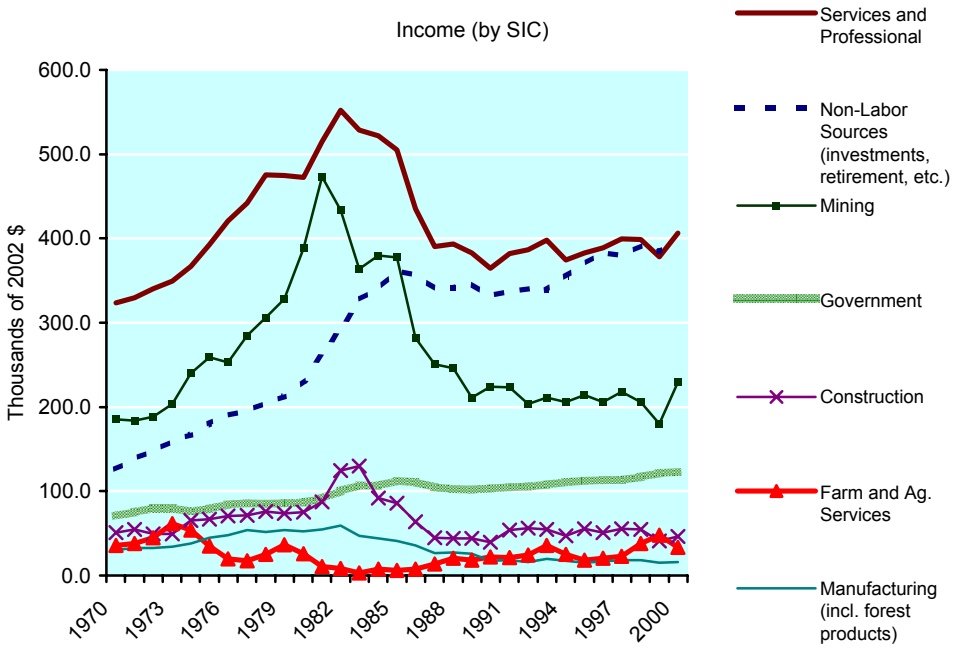
Data ends in 2000 because the BEA switched to a different classification system (NAICS) in 2001.

Growth

- The income category whose share of total gained the most was non-labor income, which went from 16.1% in 1970 to 34.4% in 2000.

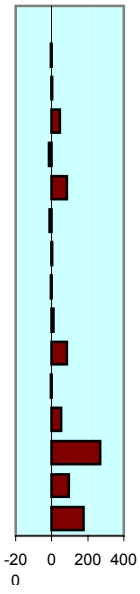
Decline

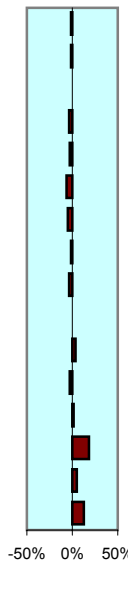
- The category whose share of total shrank the most was services and professional, which went from 41.2% in 1970 to 35.2% in 2000.



New Income by Type

All figures in millions of 2000 dollars	1970	% of Total	2000	% of Total	New Income 1970 to 2000	% of New Income	Change in Share
Total Personal Income*	784		1,153		369		
Farm and Agricultural Services	36	4.6%	34	2.9%	-2	NA	
Farm	33	4.2%	29	2.5%	-4	NA	
Ag. Services	3.1	0.4%	5.0	0.4%	2	0%	
Mining	185.3	23.6%	229.2	19.9%	44	12%	
Manufacturing (incl. forest products)	31	3.9%	16	1.4%	-15	NA	
Services and Professional	323	41.2%	406	35.2%	83	22%	
Transportation & Public Utilities	93	11.9%	81	7.0%	-12	NA	
Wholesale Trade	44	5.6%	48	4.1%	4	1%	
Retail Trade	82	10.4%	77	6.7%	-5	NA	
Finance, Insurance & Real Estate	19	2.4%	29	2.6%	11	3%	
Services (Health, Legal, Business, Oth.)	86	11.0%	171	14.8%	85	23%	
Construction	51	6.5%	46	4.0%	-5	NA	
Government	71	9.0%	123	10.7%	53	14%	
Non-Labor Income	126	16.1%	396	34.4%	270	73%	
Dividends, Interest & Rent	74	9.4%	169	14.6%	95	26%	
Transfer Payments	53	6.7%	227	19.7%	175	47%	





*The sum of the above categories do not add to total due to adjustments made for place of residence and personal contributions for social insurance made by the U.S. Department of Commerce.

Source: BEA REIS 2002 CD Table CA05

Growth

- Missing data prevents this ranking

Decline

- Missing data prevents this ranking.

Income by Industry (Naics)
Changes from 2001 to 2002 Share of Total

Category	2001	2002	2002 Share of Total	New Income	Change in Share of Total (2002 - 2001)
Personal income	1,271.5	1,251.5	100%	(20.0)	
Wage and salary disbursements	685.5	654.0	52%	(31.4)	
Proprietors' income	158.2	144.9	12%	(13.3)	
Farm proprietors' income	38.5	25.4	2%	(13.0)	
Nonfarm proprietors' income	119.8	119.4	10%	(0.3)	
Farm earnings	46.1	33.3	3%	(12.8)	
Nonfarm earnings	931.9	898.0	72%	(34.0)	
Private earnings	805.2	766.8	61%	(38.3)	
			0% 50% 100%	(50.0) -	-4.0 -2.0 0.0 2.0
Forestry, fishing, related act., and oth.	1.8	1.9	0%	0.1	
Mining	307.8	261.7	21%	(46.1)	
Utilities	19.7	19.7	2%	0.1	
Construction	66.2	63.6	5%	(2.7)	
Manufacturing	13.6	12.0	1%	(1.6)	
Wholesale trade	47.4	45.5	4%	(2.0)	
Retail Trade	66.1	62.8	5%	(3.3)	
Transportation and warehousing	47.1	42.7	3%	(4.4)	
Information	9.2	9.6	1%	0.3	
Finance and insurance	24.5	26.9	2%	2.3	
Real estate and rental and leasing	14.0	15.7	1%	1.7	
Professional and technical services	14.7	17.5	1%	2.8	
Management of companies & enterp.	4.0	3.4	0%	(0.6)	
Administrative and waste services	28.4	27.2	2%	(1.2)	
Educational services	#N/A	#N/A	#N/A	#N/A	
Health care and social assistance	#N/A	#N/A	#N/A	#N/A	
Arts, entertainment, and recreation	2.8	2.8	0%	0.0	
Accommodation and food services	17.8	17.4	1%	(0.3)	
Other services, except public admin.	35.3	38.8	3%	3.4	
Government and government enterp.	126.8	131.1	10%	4.4	
Federal, civilian	7.4	7.4	1%	0.0	
Military	2.8	2.5	0%	(0.3)	
State and local	116.6	121.3	10%	4.6	
State government	10.5	11.0	1%	0.6	
Local government	106.2	110.2	9%	4.1	
			0% 20% 40%	(50.0 - 50.0	-5.0% 0.0% 5.0%

Source: BEA REIS 2002 CD Table CA05N

color high wage green (over red is under 382	2001	2002	2002 Share	New Income	New Income Share	Gallatin Change in Share (2002 - 2001 Share)
Personal income	1,271.5	1,251.5	100%	(20.0)	100%	0.0%

Page Under Construction - Disregard Data

Farm and Ag (includes forestry services too)			0%	-	0%	0.0%
Total farm labor and proprietc	-	28.8	2%	28.8	-144%	2.3%
Agriculture and forestry su	1.5	#N/A	#N/A	#N/A	#N/A	#N/A
Total Farm and Ag	1.5	#N/A	#N/A	#N/A	#N/A	#N/A
Forestry and Dependent Indu	g Services too)	Services too)	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Forestry and logging	0.3	#N/A	#N/A	#N/A	#N/A	#N/A
Agriculture and forestry su	1.5	#N/A	#N/A	#N/A	#N/A	#N/A
Paper manufacturing	-	-	0%	-	0%	0.0%
Wood product manufactur	-	-	0%	-	0%	0.0%
Total Forestry	Total Forestry	Total Forestry	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Transformative Excl Extractiv	Excl Extractive	Excl Extractive	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Forestry, fishing, related ac	1.8	1.9	0%	0.1	0%	0.0%
Fishing, hunting, and trapp	0.1	0.1	0%	0.0	0%	0.0%
Agriculture and forestry su	1.5	#N/A	#N/A	#N/A	#N/A	#N/A
Utilities	19.7	19.7	2%	0.1	0%	0.0%
Construction	66.2	63.6	5%	(2.7)	13%	-0.1%
Manufacturing	13.6	12.0	1%	(1.6)	8%	-0.1%
Durable goods manufactur	9.7	8.3	1%	(1.4)	7%	-0.1%
Nonmetallic mineral produ	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Fabricated metal product	6.0	4.8	0%	(1.2)	6%	-0.1%
Machinery manufacturing	1.2	0.8	0%	(0.4)	2%	0.0%
Computer and electronic p	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Electrical equipment and a	-	-	0%	-	0%	0.0%
Furniture and related proc	0.1	#N/A	#N/A	#N/A	#N/A	#N/A
Miscellaneous manufactu	0.7	0.7	0%	(0.0)	0%	0.0%
Nondurable goods manufa	3.9	3.7	0%	(0.2)	1%	0.0%
Food manufacturing	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Beverage and tobacco pro	0.0	0.0	0%	(0.0)	0%	0.0%
Apparel manufacturing	-	-	0%	-	0%	0.0%
Printing and related suppc	0.6	0.5	0%	(0.0)	0%	0.0%
Plastics and rubber produ	-	-	0%	-	0%	0.0%
Total Transformative Excl Ex	Excl Extractive	Excl Extractive	#VALUE!	#VALUE!	#VALUE!	#VALUE!
			0%	-	0%	0.0%
Extractive	Extractive	Extractive	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Forestry and logging	0.3	#N/A	#N/A	#N/A	#N/A	#N/A
Mining	307.8	261.7	21%	(46.1)	230%	-3.3%
Oil and gas extraction	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Mining (except oil and gas	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A

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Data Sources

Data for this profile were obtained from four sources:

- Regional Economic Information System (REIS CD-ROM) of the Bureau of Economic Analysis, U.S. Department of Commerce.
- Bureau of Labor Statistics, U.S. Department of Labor.
- County BU.S.iness Patterns, Bureau of the CensU.S., U.S. Department of Commerce.
- Bureau of CensU.S., U.S. Department of Commerce.

The Economic Profile System was designed to focus on long-term trends at the county level. We used this method and geographic scale for several reasons: (1) trend analysis provides a more comprehensive view of change than spot data for select years, (2) the most reliable information on long-term employment and income trends is available at the county level, and (3) communities within counties rarely function as economic units themselves. Finally, even though in many areas the most accurate geographic scale to understand economic changes may be at the multi-county or regional level, county-level data is useful in the context of existing political jurisdictions, such as county commissions and planning departments. The list below contains the World Wide Web sites and telephone numbers for the databases used in this report:

- Bureau of Economic Analysis:
  http://www.bea.doc.gov; Tel. 202-606-9600
- Bureau of Labor Statistics:
  http://stats.bls.gov:80/blshome; Tel. 202-606-5886
- Bureau of Census:
  http://www.census.gov; Tel. 303-969-7750
- Oregon State University, Government Information Sharing Project:
  http://govinfo.library.orst.edu; Tel. 541-737-4514.
- University of Virginia, Geospatial and Statistical Data Center:
  http://fisher.lib.virginia.edu; Tel. 804-982-2630

Use of Federal Rather than State Data Bases

Data from state agencies was not used for this profile. Many of the state and local sources of data do not include information on the self-employed or on the importance of non-labor income, such as retirement income and money earned from past investments. In many counties this can result in the underestimation of employment and total personal income by at least one third. The REIS disk of the Bureau of Economic Analysis contains the most robust data set and for this reason it was used as the primary source.

The only disadvantage of the REIS dataset is it's not as recent; 2002 is the latest for REIS, while state data sources provide data for as recent as 2003 and in some instances 2004. By providing long-term trends data, from 1970 to 2002, having the most recent data is less important than being able to discern where the county's economy has been, and the direction in which it has been headed in recent years.

The Standard Industrial Classification (SIC) System

Employment and income information is organized by the US Department of Commerce according to the Standard Industrial Classification (SIC) code. Industries are classified in broad categories (e.g., Farm), sub-categories (e.g., Agricultural production - crops), and progressively finer levels of detail (e.g., Ag. Production – cash grains). For a detailed description of SIC codesconsult *The Standard Industrial Classification Manual* (National Technical Information Service, order no. PB-100012, Tel. 703-487-4600).

Services

Since much of the growth in labor earnings in the U.S. economy over the last two decades has been in "services," it should noted that the term is defined in various ways by different researchers. Some economists define services broadly as "all output that does not come from the four goods-producing sectors: agriculture, mining, manufacturing, and construction."[1] The U.S. Department of Commerce defines services more narrowly as major groups 70-89 of the SIC code.[2] However, even their restricted classification includes a wide variety of sectors, ranging from hotels and lodging, and social services to business services, and engineering and management services.

[1] E. Ginzberg and G.J. Vojta. 1981. "The Service Sector in the U.S. Economy." Scientific American. 244 (3): 48-55.

[2] SIC codes 70-89 are: Hotels, Lodging and Other Places, Personal Services, Business Services, Auto Repair, Miscellaneous Repair Services, Motion Pictures, Amusement and Recreation Services, Health Services, Legal Services, Educational Services, Social Services, Museum Services, Museums, Botanical, and Zoological Services, Engineering and Management Services, Private Households, and Services Not Elsewhere Classified.

In this profile, we define services broadly as “Services and Professional” industries, and then also into categories -- such as producer, consumer, social and government services -- to gain a clearer picture of where service growth is taking place. We use the term "Services and Professional" to underscore an important point: service occupations are not just “hamburger flippers and maids,” but rather consist of a combination of high-paying and low-paying professions, mixing physicians with barbers, and chambers maids with architects and financial consultants.

According to economist Lester Thurow, “Services is simply too heterogeneous to be an interesting category. The real issue is not the growth of services but whether the economy is making a successful transition from low-wage, low-skill industries … to high-wage, high-skill industries.”[1] One way to gauge this is to follow the long-term trends in average earnings per job.

A Transition from SIC system to NAICS: An Important Precaution on the Interpretation of Economic Trend Data.

The long-term historic industry data used in this profile are based on data that is organized by the U.S. Department of Commerce using the Standard Industrial Classification (SIC) system. In recent years, the Department of Commerce has reorganized economic data according to a new system, called the North American Industry Classification System (NAICS, pronounced “nakes”). County Business Patterns started organizing their data using new NAICS in 1998, Census in 2000, and the Regional Economic Information System (REIS) in 2001.

The NAICS system is an improvement to the SIC system in several ways: first, businesses that use similar processes to produce goods or services are classified together. Previously, under the SIC system, some businesses were classified on the basis of their production processes while others were classified under different principles, such as class of consumer. Second, NAICS is a flexible system that will be updated every five years in order to keep pace with changes in the economy. Third, the NAICS system recognizes the uniqueness and rising importa of the “information economy,” and provides several new categories, such as cable program distributors and database and directory publishers. Finally, and perhaps the most useful, the NAICS system provides seven sectors to better reflect services-producing businesses that were previously combined into one generic SIC division (the Services division).

This new system allows the data user to differentiate more clearly between what was previously often lumped under the general heading of “services,” into categories such as arts and entertainment; education; professional, scientific and technical services; health care and social assistance, among others.

Arguably the most important change of NAICS is the recognition of hundreds of new businesses in the economy. NAICS divides the economy into 20 broad sectors rather than the SIC’s 10 divisions as seen in the table on the following page. Creating these additional sector-level groupings allows NAICS to better reflect key business activities, as well as chronicle their changes.

[1] Lester Thurow, The Future of Capitalism (New York: William and Morrow and Company), p. 71.

SIC Divisions vs. NAICS Sectors

SIC Divisions	NAICS Sectors
• Agriculture, Forestry, and Fishing	• Agriculture, Forestry, Fishing and Hunting
• Mining	• Mining
• Construction	• Construction
• Manufacturing	• Manufacturing
• Transportation, Communications, and Public Utilities	• Utilities • Transportation and Warehousing
• Wholesale Trade	• Wholesale Trade
• Retail Trade	• Retail Trade Accommodation and Food Services
• Finance, Insurance, and Real Estate	• Finance and Insurance **Real Estate and Rental and Leasing**
• Services	• Information • Professional, Scientific, and Technical Services • Administrative and Support and Waste • Management and Remediation Services • Educational Services • Health Care and Social Assistance • Arts, Entertainment, and Recreation • Other Services (except Public Administration)
• Public Administration	• Public Administration
• None (previously, categories within each division)	• Management of Companies and Enterprises

Non-Labor Income

Non-labor income is a mix of Dividends, Interest, and Rent (money earned from past investments), and Transfer Payments (government payments to individuals).Private pension funds (e.g. 401(K) plans) are not counted as part of transfer payments.

Some data sources, such as “Section 202” data available from state unemployment insurance records and reported by the Bureau of Labor Statistics, do not report non-labor income. The Bureau of Economic Analysis (BEA), on the other hand, tracks non-labor income. In order to understand the actual growth (labor and non-labor) of personal income, the REIS/BEA data set must be used, and this is what was used for this profile.

Disclosures

Some data, such as employment and income figures in counties with small economies, are not available because of confidentiality restrictions order to protect information about individual businesses, data are sometimes suppressed or, in the case of the publication *County Business Patterns* , a range of values are given instead of a specific value. Generally, the smaller the geographic level of analysis or the smaller the economy under examination the higher the chances that industry-specific information will be suppressed.

In some of the profiles a few disclosure restrictions were encountered. Sometimes *County Business Patterns* data was used to estimate data where disclosures exist in the REIS/BEA database. In other instances the missing data was left blank, particularly if doing so has little effect on the ability to discern long-term trends. In other cases, where data was missing for one or two years, a rolling average was used to estimate the data gaps. In each case where disclosures were estimated, annotations were made in the Excel files.

Adjustments from Current to Real Dollars

Because a dollar in the past was worth more than a dollar today, data reported in current dollar terms should be adjusted for inflation. The U.S. Department of Commerce reports personal income figures in terms of current dollars. All income data in this profile were adjusted to real (or constant) 2002 dollars using the Consumer Price Index, except the Income Distribution information on page 5 of the profile.

Unemployment Rate

Unemployment is generally available as seasonally unadjusted or adjusted, and there is an advantage to using adjusted data. From the Bureau of Labor Statistics web site (http://stats.bls.gov/lauseas.htm), an explanation of why adjusted figures should be used, whenever possible: "Over the year, the size of the Nation's labor force, the levels of employment and unemployment, and other measures of labor market activity undergo sharp fluctuations due to seasonal events including changes in weather, harvests, major holidays, and the opening and closing of schools. Because these seasonal events follow a more or less regular pattern each year, their influence on statistical trends can be eliminated by adjusting the statistics from month to month. These adjustments make it easier to observe the cyclical, long term trend, and other non-seasonal movements in the series."

Unadjusted numbers were used in this profile in order to obtain an annual average and because county-level data are not available in adjusted format from the Bureau of Labor Statistics web site. This may introduce some error in counties where the size of the workforce fluctuates seasonally, such as tourist destination areas.

Farm Income Footnote:

Note that farm income figures on pages 28, 30 & 31 are not the same. In brief, the figures on page 28 (see table) reflect income from farming *enterprises* (farm proprietors and corporate income), while the farm figure on pages 30 & 31(see table) indicates personal income earned by *individuals* (both proprietors, and wage and salary employees) who work in farming.

Note also that the term "farm" includes farming and ranching, but not agricultural services such as supplying soil preparation services and veterinary and other animal services – see table on page 9.

Farm income on page 28 is calculated as follows:

Total cash receipts and other income
  less: Total production expenses
Realized net income
  plus: Value of inventory change
Total net income including corporate farms

Farm income on pages 30 & 31 is calculated as follows:

Total net income including corporate farms
  less: Net income of corporate farms
  plus: Statistical adjustment
Total net farm proprietors' income
  plus: Farm wages and perquisites
  plus: Farm other labor income
Total farm labor and proprietors' income

Specialization Index

The specialization index was calculated as:

$$SPECIAL_{it} = \sum_{j=1} (EMP_{ijt}/EMP_{it})^2$$

$SPECIAL_{it}$ = specialization of economy in county i in year t

EMP_{ijt} = employment in industry j in county i in year t

EMP_{it} = total employment in county i in year t

n = number of industries

This index is commonly used as a measure of industrial specialization in the economy. Counties with a high specialization index can also be described as not being economically diverse.

Mean, Median and Modes

mean

The sum of a list of numbers, divided by the total number of numbers in the list.

median

"Middle value" of a list. The smallest number such that at least half the numbers in the list are no greater than it. If the list has an odd number of entries, the median is the middle entry in the list after sorting the list into increasing order. If the list has an even number of entries, the median is equal to the sum of the two middle (after sorting) numbers divided by two. The median can be estimated from a histogram by finding the smal number such that the area under the histogram to the left of that number is 50%.

mode

For lists, the mode is the most common (frequent) value. A list can have more than one mode. For histograms, a mode is a relative maximum ("bump").

Income:

- Total Personal Income= private earnings, income from government and government enterprises, dividends, interest, and rent, and transfer payments plus adjustments for residence minus personal contributions for social insurance.

- Wage and salary= monetary remuneration of employees, including employee contributions to certain deferred compensation programs, such as 401K plans.

- Other labor income= payments by employers to privately administered benefit plans for their employees, the fees paid to corporate directors, and miscellaneous fees.

- Proprietors' income= income from sole proprietorships, partnerships, and tax-exempt cooperatives. A sole proprietorship is an unincorporated business owned by a person. A partnership is an unincorporated business association of two or more partners. A tax-exempt cooperative is a nonprofit business organization that is collectively owned by its members.

Transfer Payments:

- Transfer payments = payments to persons for which they do not render current services. As a component of personal income, they are payments by government and business to individuals and nonprofit institutions.

- Retirement & disab. insurance benefit payments= Old-Age, Survivors, and Disability Insurance payments (Social Security), Railroad Retirement and Disability payments, Federal Civilian Employee & Disability Payments, Military Retirement, and State and Local Government Employee retirement payments.

- Medical payments= Medicare, public assistance medical care and CHAMPUS payments.

- Income maintenance(welfare) = Supplemental Security Income (SSI), Aid to Families with Dependent Children (AFDC), Food Stamps, and Other Income Maintenance Payments, such as emergency assistance, foster care payments and energy assistance payments.

- Unemployment insurance benefit payments= unemployment compensation for state and federal civilian employees, unemployment compensation for railroad workers, and unemployment compensation for veterans.

- Veterans benefits = primarily compensation to veterans for their disabilities and payments to their survivors.

- Federal education and training assistance= Job Corps payments, interest payments on Guaranteed Student Loans, federal fellowship payments, and student assistance for higher education.

- Other government payments= compensation of survivors of public safety officers and compensation of victims of crime. In Alaska this ite includes Alaska Permanent Fund payments.

- Payments to nonprofit institutions= payments for development and research contracts. For example, it includes payments for foster home care supervised by private agencies.

- Business payments to individuals= personal-injury liability payments, cash prizes, and pension benefits financed by the Pension Benefit Guarantee Corporation.